The Road Back—W. H. Moore (Page 3)

Investments in Food (Pages 13-19)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Third Quarter Business Survey
Canada Leads Among Nations
Throwing Away Our Flour Markets
An Expert Criticism
Future of Drought Areas of West

Canadian Business Holds Its Gains

ECONOMIC activity in Canada at the end of the third quarter of this year had reached a new high point in the climb from the depths of the depression. In a year and a half, a gain of 41.5 per cent has been recorded, as measured by The Financial Post business index. The third quarter of the year, itself, was rather one of consolidation of the gains which have been made than of marked advance, but improvement was noted in a number of factors which will have an important bearing on future business.

Foremost among these changes is the drastic reduction in long-term interest rates. This decline, which has been going on steadily throughout the year, reached a point at the end of the quarter where the yield on government bonds was reduced below 3.5 per cent, the lowest level since 1911. Instead of being a drag on recovery, as were the high rates of 1933, this factor is now definitely favorable to further improvement, particularly in the construction industry.

Construction remains the one industrial activity which has failed to show marked recovery. With lower interest rates already achieved or promised, however, the immediate outlook appears more favorable.

* * *

AS CANADA'S prosperity is largely dependent on export markets, the outlook for the future is clouded somewhat by the failure of other world countries to keep pace with the Dominion during the third quarter of the year. Definite recession has been recorded in the United States during the period while reports from the United Kingdom and France indicate that a halt has been called in progress there.

There are, however, two major external factors which give rise to hope for improvement in world trade. First, it appears that the world trend toward strict economic nationalism has been at least checked. Second, President Roosevelt's assurance to business men that there would be no further restrictions placed on private enterprise should greatly encourage the United States to restart along the road to recovery—to the certain benefit of Canada.

* * *

Business Trend Across the Line

IN THE United States, business activity has dropped to the lowest point since early in 1933. There are some signs of seasonal improvement in evidence, however.

D. W. Ellsworth, editor of The Annalist, looks for a swing in the political tide to be followed by an acceleration of the forces promoting recovery. He recalls the long depression of the '90's, which followed a pattern somewhat similar to the pattern of this depression. Finally in 1896 there was a public reaction against radical politicians; they happened to express their views by electing McKinley president. Business recovery set in about the same time.

The Literary Digest straw vote shows a remarkable weakening of pro-Roosevelt sentiment. A poll of newspaper editors shows them largely opposed to Upton Sinclair's EPIC and other socialist programmes. The time is ripe for a swing to conservative governmental policies and a return of confidence.

* * *

Sacrificing Flour Export

CANADA is sacrificing her export flour position by the present policy of holding wheat at prices substantially above world levels, maintains C. F. G. Raikes, manager of the European Branch of the Northwestern Miller. Writing in the current issue of his paper he states:

"Argentine, without storage capacity, must sell nearly every grain of wheat harvested each year, irrespective of any quota agreement, while Canada holds her surplus for a price which no one will pay. Meanwhile, people of the United Kingdom, especially those engaged in the import flour trade, look with saddened eyes at Canada, throwing away her command of the wheat trade of the

(Continued on page 2, col. 4)

Expect Major Changes In Canada's Policy On Wheat Trading

McFarland-Bennett Conference Considers Curbing of Speculation

MAY FOLLOW CHICAGO

Appointment of Supervisor to Grain Exchange Likely—Flour Trade Protests Artificial Price Level

Major changes in Canada's wheat policy are expected as a result of the conference between Prime Minister R. B. Bennett and John I. McFarland, at present taking place at Ottawa.

Placing of restrictions on the Winnipeg grain exchange in an endeavor to curb speculation has been discussed, it is understood. It is thought that these restrictions might take the form of those placed on Chicago. Winnipeg traders, however, do not believe that the Government would sponsor such a system as experience at Chicago indicates that the restrictions placed there are working badly and are preventing the market from responding, as it might otherwise be expected to do, to the bullish factors in the wheat situation.

Government Supervisor

Appointment of a Government supervisor to the grain exchange is considered more likely. Duties of this supervisor would include receiving reports on the extent and character of trading, making public periodical statements and reporting on special occasions to the Government.

Creation of a Government Wheat Board to take over the handling of all western spring wheat was also stated by Mr. Bennett to be a possible solution to the situation.

Traders Surprised

The Bennett-McFarland conference arose directly out of the recent fall in wheat prices at Winnipeg which, according to Mr. McFarland, was engineered by speculators. Winnipeg grain traders express surprise that Mr. Bennett has publicly accepted the story of the international wheat ring. It is believed that traders would favor the appointment of a supervisor, however.

Flour Trade Protest

Meanwhile, the flour trade in Canada is protesting that the artificial level of prices at Winnipeg—where it has to buy—has resulted in the loss of its export market and now threatens the domestic market as British imports are rising rapidly. Domestic situation may be cleared up by higher tariff but Government policy seems certain to be to maintain wheat prices.

Complete accounts of developments at Ottawa and Winnipeg appear on page 20.

Milk Carriers To Be Licensed By New Board

Licenses for Ontario milk carriers in future will have to be approved by the Ontario Milk Board as well as the Highways Department, The Financial Post understands. The move is expected to result in better control of the milk supply for the larger towns and cities. Already the board has power to trace the milk through the dairy distributing companies to the consumer, and the latest move, it is expected, will complete the circle of control.

The change is expected to put a stop to bootlegging of milk into the cities, which in the past, it is alleged, has been used to break both buying and selling prices. It is also expected to result in more efficient transportation of raw milk, as routes are covered by the license, and it would be a logical step for the authorities to change or reduce these in such a way as to secure the most efficient loads and thus eventually reduce the costs of hauling.

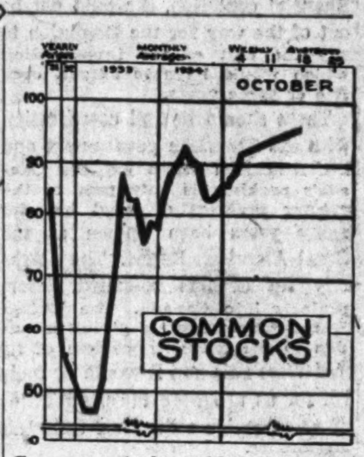
Sharp Reduction In Auto. Output Seen Last Month

Although total automobile production in September was only 4 per cent below the total for Sept., 1933, the number produced for domestic sales was almost one-half of the 1933 figure. Only 1,371 of the total were produced for sale in Canada.

Iron and steel production, on the other hand, maintained the high level of the summer months in September.

			— Change — From prev. period %	From prev. year %
Monthly:		Sept. '34		
Iron output ..	tons	43,019	+3.0	+40.0
Steel prod. ...	tons	57,489	—9.4	+44.0
Auto. prod. ..	No.	5,579	—43.7	—4.0
Bldg. permits ..	$	2,247,784	—31.4	+13.1
Lumber export	M. ft.	123,163	—8.8	+10.0
Weekly:*				
Car loadings ..	No.	51,560	—2.9	+2.5
Cattle sales ..	No.	25,470	+140.0	+52.0
Hog sales	No.	17,695	+73.8	+1.7

*Weeks ended Oct. 13, 18 and 18, respectively.



Common stocks added to recent moderate gains in the week to Oct. 19. Complete indices are shown on page 5.

CAN. WINERIES NOW OPERATING ITS U. S. PLANT

World's Most Modern Plant Crushing Catawba Grapes at Lewiston

REVENUES GAIN

The newly constructed plant of Canadian Wineries, Ltd., at Lewiston, N.Y., said to be the most modern in the world's wine industry, is now crushing Catawba grapes, having finished crushing of Concord and Niagara varieties. At the same time last week the Toronto Stock Exchange approved the additional listing of 5,000 no par value shares of the company. The two events, seemingly unrelated, have a very close connection.

The new plant, which is the means by which Canadian Wineries hopes to share in whatever profits may be made by the United States in the post-prohibition era, has been constructed out of funds provided by the sale of 14,000 shares. At the time of the last annual meeting outstanding shares of the company numbered 100,000 and now total 114,000. These were sold at an average price of $5.50 a share, close to the present market.

Earnings Jump

The situation of the company's dividend has been greatly improved in spite of the money spent in the United States, because so far 1934 earnings are 2½ times what they were in 1933. This is not because of the change-over in Ontario from the old method of sale through the Liquor Control Board but represents a real change in business volume that had made itself abundantly evident even before the change over to sale through licensed premises in Ontario.

It is too soon for the company to estimate what the result of the change in Ontario will be on its fortunes. The new method of sale is a much more costly one, especially at first, and a greater volume is needed to make the cost relatively the same to the wine actually sold. Sales have increased under the new method but the assessing of results will come later. It is believed, however, that the results will be found satisfactory.

Pioneers Inconel-clad Metal

One of the outstanding developments of the new plant is that in its Charmat champagnizing equipment it is making the first commercial use of a new product of International Nickel. This is Inconel-clad steel equipment and represents the results of long experiments by International Nickel Co. engineers in the company's winery at Stamford, Ont., to determine the tolerance of various metals to wine. The inconel, which is a combination of nickel chromium and about 8 per cent iron, is rolled integral with the steel. The inconel on the inside comes in contact with the wines and juices and the steel on the outside gives strength and makes the product less expensive.

The first application of Inconel itself to the wine industry was made at Stamford but the first application of Inconel-clad material has been made at Lewiston. The International Nickel engineers believe as a result of their careful tests that this is the best metal combination ever devised for coming in contact with fruit juices.

Gets Grapes It Wants

The company has been very fortunate in its purchases of grapes in the United States. It has been able to buy all the Catawba grapes it desires. In Canada this year it was only able to get 8½ tons and to get that it paid a premium over other grapes at $60 a ton. For years the chief wineries have been trying to induce individual growers to put new plantings in Catawbas and Delaware and other light varieties of grapes. There is an actual shortage in these grapes and though they are not so prolific as the Concords and Niagaras, which the growers in the Niagara peninsula favor, the

(Continued on page 2, col. 2)

BANK EDITOR CRACKS DOWN ON BRANCHES

Wallops Canada's Banks for "Draining" Maritimes

A. B. A. CONVENTION

Many Canadians Attend as U.S. Bankers Gather Under Threat of Central Bank

By KENNETH R. WILSON
Business Editor, The Financial Post

WASHINGTON—Into this busy, beautiful city this week came 3,980 delegates and guests to the sixtieth annual convention of the American Bankers Association. The roster included several important Canadian bankers here merely to "observe," namely Sir John Aird, H. P. Van Gelder and H. E. Tylor of the Canadian Bank of Commerce; G. W. Spinney and R. E. Knight of the Bank of Montreal; S. R. Noble and J. L. Lawson of the Royal Bank of Canada; H. D. Burns and A. McD. McBain of the Bank of Nova Scotia.

The prize titbit to Canadians in reams of speechifying was a nasty slap at the Canadian banking system by Clarence Axford, editor of the American Banker. In cracking down on the branch banking system generally he boasted that the New England states had retained the wealth they had accumulated as the shipping centre of the world and the cotton weaving centre of the United States while Canada had drained its eastern provinces of people and money by the branch banking system. New England, he claimed, had added to its wealth and increased its population while Canada had actually lost ground "under the benevolence of branch banking."

Losing Population

Said he:

"Canada's eastern provinces, once her most prosperous, have been drained both of people and of money through the great Canadian banking systems, which were more interested in financing the development of the territory supporting their railroad investments in the West of Canada, than in conserving the prosperity of the eastern provinces.

"For the country as a whole, the record of the last two decades to 1931 is interesting:

"Three million five hundred thousand immigrants were brought in at heavy subsidies by the Government, while the population in the same 20 years showed an increase of only 3,100,000, a net loss of 400,000 people, under the benevolence of branch banking."

Chief attraction at this best-attended bank gathering in 12 years was Wednesday evening address of President Roosevelt. The chief theme of the gathering was achieving goodwill between the present administration and the banking fraternity.

Last year the bankers met at Chicago in a belligerent mood and flayed the new dealers. This year, in a humbler mood, they are trying to be friendly chiefly in order to head off the threatened central bank and similar legislation, which they fear will be imposed on the country.

Incidentally, treasury officials here deny categorically the statement widely circulated by correspondents a few days ago that the administration had abandoned the central bank idea. Secretary of the Treasury Henry Morgenthau has not yet made up his mind as to whether a separate institution should be created or whether an existing agency such as the federal reserve system could be used to achieve the purpose in mind.

See No Need For It

Bankers are united in their opposition to the sort of political central bank authority which is being talked about. They see no reason why existing federal reserve machinery should not be strengthened and used.

Unfortunately, the association has not the prestige it should have, by reason of its failure in recent years to foster aggressive and constructive policies. Close observers feel it has followed rather than assumed leadership and has left the door wide open for government intervention.

Despite widely circulated propaganda that he is "notorious foreign-born international Jew," the association will unanimously elect as its new president, Rudolph S. Hecht, head of the Hibernia Bank of New Orleans. Tall, heavy-built, with close-cut, iron-grey hair, Banker Hecht is a reputed hard worker and will take the next annual convention to New Orleans.

Sales of Stop & Shop Show Small Decrease

Stop & Shop sales for the four week period ended Oct. 6, 1934, were down slightly to $459,693 from $466,851 for the corresponding month in 1933.

For the first eight months of the current fiscal year, total sales were up to $3,742,055 as against $3,655,168 for the same period in 1933.

TOPPLING DOWN

—Drawn for The Financial Post by R. Kaell.

Taschereau's Threat Answered by A. N. P. A.

U. S. Publishers Will Fight Back. Quebec Premier Looks to Ottawa

From Our Own Correspondent

MONTREAL. — Developments in the newsprint industry over the past seven days have not been favorable. Though the situation is not encouraging for those who wish to see the price of newsprint put on a basis which will permit of profitable operation, there is still the possibility that some development may occur permitting the carrying out of the original plan of placing in effect a nominal increase in the selling price on 1935 deliveries.

The latter hope is a very slim one at this junction. Overtures between producers and consumers have not been productive of progress of an amicable settlement of differences. Both sides apparently are quite convinced of the reasonableness of their own position with a resulting deadlock.

Meanwhile the controversy goes on between Premier Taschereau and the American Newspaper Publishers' Association. The Quebec Premier's threat of using the "big stick" on St. Lawrence Paper Mills for having made a commitment on 1935 deliveries at the present level, would appear to have helped widen the breach between the publishers and the manufacturers.

May Seek Ottawa's Aid

Taschereau's latest pronouncement is a warning to the effect that the Province of Quebec will ask the Dominion Government to use powers to prevent the export of newsprint to the United States, when sold below cost price.

In a carefully worded statement, the Quebec Premier had the following to say, in part:

"It must not be forgotten that the paper manufactured in Quebec is the product of the forests of the province and that, therefore, the Government is primarily interested in its sale at profitable prices. The members of the American Newsprint Association may be justified in their protest, for they are defending the

(Continued on page 2, col. 4)

Will Recommend Nova Scotia Receive Offset for Tariff

Royal Commission Report, Now Virtually Complete, Will Discuss Economic Lot of Maritimes

The Royal Commission report on the economic welfare of Nova Scotia and its relations, financial and otherwise, to the Dominion of Canada, will be completed shortly.

The commissioners, under the chairmanship of Professor J. H. Jones, head of the Department of Commerce at Leeds University, England, are at present in Toronto adding the finishing touches to a report which is expected to cause widespread interest throughout Canada. It is expected that the original draft of the report will be completed this week, as Professor Jones sails from New York on Saturday, but as yet no release date has been announced by Premier Angus L. MacDonald of Nova Scotia.

Tariff "Compensation"

Much valuable information was collected, and the report will give a more detailed analysis of the problems considered than that which appeared in the famous Duncan Report. The opinion was expressed before the commission that the province has suffered from the national tariff policy and the report will likely discuss means of compensating Nova Scotian buyers of products, especially of capital goods, from the producers in central Canada.

The commission was amazed by the impoverished conditions found in many of the smaller fishing hamlets. Their plight, it was found, was far worse than that of the farmers and something definite will be recommended to improve the state of affairs now existing.

The question of maritime freight rates again came up for discussion and evidence was given to show that recent events have nullified a number of the original provisions. The fact that the reductions also only apply to west-bound goods, and therefore do not lighten the burden of higher prices for the Nova Scotian consumer, was often emphasized.

Better Coal Conditions

Conditions in the coal-steel area around Sydney were found to be better than those existing a year ago, and compared to other like areas, on a par or a little better. Large numbers were still found to be unemployed, however, and every effort is being made to build up larger coal shipments to the central Canadian market.

Interest rates were found to be high and were mentioned by witnesses as one of the factors retarding the growth of larger industries. It was the opinion of experts that Nova Scotia is a deposit area and evidence was produced to show that bank borrowing was considerably less than in other areas of Canada.

Reciprocity Studied

U. S. reciprocity, often considered as being most beneficial to the Maritimes, if placed in operation, came in for little discussion before the commissioners. The fruit industry, agriculture conditions, transportation facilities and rates, incidence of the tariff, and subsidies were among the other leading problems studied.

It is understood that the western provinces are especially interested in the findings which are soon to be published, as they also feel that the Canadian tariff policy has favored Ontario and Quebec at the expense of the other provinces.

Dominion Commission

In the meantime the federally appointed Royal Commission on Federal-Maritime financial arrangements has adopted a programme of investigation which will permit action upon the financial claims of the three Atlantic provinces at the forthcoming session of the Federal Parliament.

This commission, which is under the chairmanship of Sir Thomas White, is a step forward in the direction of implementation of the Duncan report which body probed the economic problems of the Maritime Provinces a few years ago. In its findings the Duncan Commission considered subsidies being paid in New Brunswick, Nova Scotia and Prince Edward Island, were too small. Recommendations for interim increases were made in the Duncan report and put into effect. Further recommendations that the matter be studied by Dominion Government authorities to bring about a more equitable assessment brought appointment of the present commission.

It has been agreed between the commission and the premiers of the three provinces that each province is to file a brief setting forth its claims on or before November 15. Then on or before December 20, counsel for the Dominion Government is to file a brief in reply. Finally the Royal Commission is to meet January 10 for the hearing of argument on both sides.

Highlights of the week

Food Securities

Feature section tells of situation in canning, baking, flour milling, sugar and chain store fields. Food price recovery. Page 13. Individual company analyses (indexed below). Pages 14 to 19

Third Quarter

Business gains continued, but it was a consolidation period. September marked a new peak. Page 7

Canada Can Lead

Confidence must be restored to bring prosperity says W. H. Moore, M.P. How he thinks Canada can lead the way back to gold and profits. Page 3

Big Navies

Great Britain, the United States and Japan are at a crucial point in the big navy problem. Their interests defined by John A. Stevenson. Page 6

Municipal Control

Saskatchewan has an effective system of keeping municipalities solvent. First of a series describing Canada's methods of controlling civic finances. Page 9

Marketing Board

Poultry pool plans rebuffed as opposition develops. Many other schemes considered. Page 8

Making a Mine

The first requisite is the right kind of rock. The types that are favorable for commercial mineral deposits. Page 24

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GOV'T TO TAKE DEEPER PLUNGE IN MORTGAGES

Farm Board Becomes Instrument to Cut Interest Rates

$67,000,000 STAKE

Interest Cut to 5½% May be Extended — Picture of Possible Losses Enlarged

From Our Own Correspondent

OTTAWA.—Back of the announcement that the Federal Farm Loan Board will cut interest charges on farm mortgages by one per cent, there can be discerned a major policy of the Bennett government which may involve the country more deeply in the mortgage business than has been believed possible.

First mortgage money at 5½ per cent is the new farm loan policy. The recent announcement indicated that $10,000,000 had been made available to the Farm Loan Board on this basis. But two other considerations add special importance to the announcement.

Possible $70,000,000

1. Under the 1934 amendments to the Farm Loan Act, the government may purchase Farm Loan bonds up to $40 millions and may guarantee such bonds up to $30 millions. This means $70 millions of public money (though an element of doubt complicates this point) for farm mortgages. Since only about $3 millions of bonds have been bought by the treasury to date, there is available $67 millions, plus money realized by sale of stock, which can be thrown into the mortgage market in the government's effort to break interest rates.

2. The government is now considering cutting the rate charged to the Farm Loan Board on past advances so that the reduction of one per cent in interest rates may be extended to all farmers now having loans. This would run to $11 millions.

Lower Interest Rates

And finally there is nothing fixed or final in the current policy of 5½ per cent farm mortgage money. The government, in theory at least, is supposed to hand money over to the board at whatever rate the treasury must pay to the public. The conversion loan brought an average rate of 3½ per cent, so that 5 per cent farm mortgage money is not at all out of the picture, although it may be doubted if the government would press its campaign to these lengths.

Coming on the heels of the cut of ½ per cent in rates on savings deposits, and the conversion loan at 3½ per cent (average), the government's drive for lower interest charges is now in full swing. Undoubtedly the ministry is prepared to use large sums of money in order to achieve success.

Spectacular Policy

How the taxpayers ultimately will fare is another question. Right now it may be said that the Dominion government has embarked upon the most spectacular financial policy in the history of the country. The Federal Farm Loan Board, launched in 1929 as a sound business enterprise, expected to pay its way, may be said to have ceased to be an ordinary commercial organization and to have become an instrument for the furthering of a national policy.

At the present moment the board has approximately $11 millions on loan. This represents $5,000,000 stock subscription by the Federal treasury, as provided in the statute; about $1,500,000 of stock purchased by the Dominion and provincial governments and by the borrowers (each of these must buy stock to the amount of 5 per cent of loans); about $3,000,000 realized by sale of 5 per cent bonds to the Dominion treasury, and the balance re-investment of principal repaid.

Payments in Arrears

The last annual report issued by the board, covering the fiscal year ended March 31, 1933, showed that there was $154,077.25 principal and $295,538.79 of interest in arrears. This was despite the fact that the Farm Loan Board, which created by statute in 1929, and thus was under way until late in the year and thus practically escaped the severe shrinkage in capital values brought about by the crash of 1929. As at March 31, 1933, 4,830 loans had been made. Of these 1,787 were made in the fiscal year 1929-30 (chiefly in the

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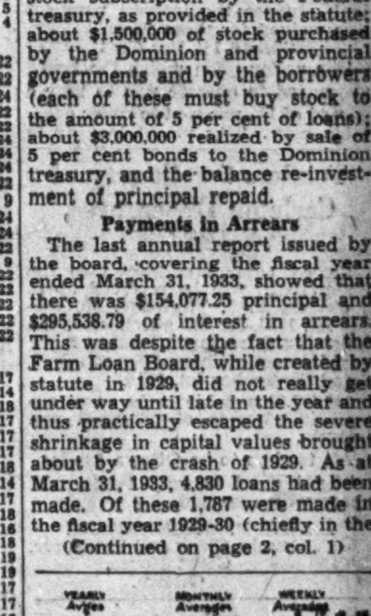

There was no change in wholesale prices in the week ended Oct. 19 from the previous week, the figure remaining at 71.4, according to the Dominion Bureau of Statistics.

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HOG OUTLOOK SATISFACTORY, CATTLE NOT SO

Recent Break in Bacon Prices Less Than Usual

Hog producers confident, but cattle raisers still discouraged, reports J. S. McLean, president of Canada Packers Ltd.

With hog receipts a great deal lighter than anticipated Mr. McLean was loath to make any predictions regarding the immediate future either of live hog shipments to Canadian abattoirs or finished bacon overseas. Recent arrivals of hogs at Canadian plants, he stated, had been running only about half of the 1933 volume. The bulk of the decline had taken place in the east, however, with the west, despite droughts keeping up to normal.

The decrease in eastern Canada was believed due to the shortage of coarse grain in 1933. Farmers were reluctant to purchase feed and therefore did not arrange for as large a crop of hogs in 1934 as would be expected normally. In the western provinces on the other hand supplies of coarse grains such as oats and barley were cheaper and more plentiful and breeding operations were not curtailed. Hand in hand with these continued operations had been a steady improvement in quality with a consequent improvement in the bacon made from such hogs.

Break in Prices

Fortunately for the farmer, the lighter shipments of Canadian hogs had coincided with the usual fall break in British bacon prices and the resulting lower prices for hogs on domestic markets. From the second week in September to that ended Oct. 6, prices had declined about 17 shillings per hundred weight, according to Mr. McLean. This however, was regarded as less than normal, as declines of 20 to 25 shillings were expected in September previous to the quota agreements. Formerly the naturally greater run of hogs in the fall, with heavier shipments of bacon in September and October almost invariably depressed the market. Apparently the fact that the British market is now largely controlled and there is a definite limit upon the volume of bacon that may be shipped, especially by countries outside the Empire, has had the effect of a more uniform price throughout the year.

Lack of Cattle Export

The head of Canada Packers sees little encouragement in regard to the outlook for the cattle raiser. Before the United States duty of 1930, he stated, Canada had an outlet south of the line for about 250,000 head of cattle annually. With the jump in duty that market practically disappeared and so far no other large outlet has replaced it. But one cannot commence or shut down cattle breeding like a factory and there seems to be no indication yet that the farmer has been able to adjust himself altogether to the change.

Numbers Increased

Mr. McLean stated that following the U. S. duty more cattle were consumed by the local market but only a fraction of the number which used to be exported alive. The bulk of the animals which would have been exported stayed on the farm, where they aggravated the situation still further because many of them were used for breeding purposes. As a result Mr. McLean believes that there were, until very recently at least, and possibly so at the present time, actually more cattle on Canadian farms than before the American duty increase.

In the last few months, however, he stated there was definite indication of cattle liquidation, in the increased number of calves coming on the market from Western points. Until some great export market could be opened for Canadian cattle, Mr. McLean was definitely of the opinion that a return to the former large scale production and good prices for this industry would be very doubtful.

The Nation's Business

(Continued from page 1)

world by such uneconomic methods. This has been the case not only this year but for the last five years, the great mistake being the carrying over of a huge proportion of the crop from year to year instead of marketing it at a reasonable price. It would seem that the splendid system of elevators which has been established across that great continent is proving Canada's undoing, for it has enabled her government to use them for a mistaken policy which is ruining Canada's wheat and flour trade.

"The government's action in trying to raise the price of grain for the benefit of the farmer is no doubt laudable, but it has been carried beyond good judgment. Millers in England have been forced to employ artificial means to strengthen their flours instead of using strong wheat, and in the process the flour export trade of Canada is being killed. Careful enquiries in the United Kingdom trade reveal that consumption of Canadian flour is declining and unless mills are able to bring their prices down to a competitive basis the time will come when the demand will disappear altogether."

* * *

MR. RAIKES paints a sombre picture of the present situation in flour and grain but present conditions, unfortunately, bear out his contentions. For the crop year recently closed, Canada's export of flour to the United Kingdom was slightly over 5,000,000 barrels, compared to more than twice this quantity five years ago. Due to the higher prices millers have had to pay for Canadian grain, current prices of Canadian flour offered in Britain are considerably out of line with that offered from other sources. Lack of export during recent years has resulted in excessive competition and low prices in the domestic field. And finally English milled flour is entering Canada in steadily increasing quantities and underselling the Canadian product.

* * *

Where Democracy Lies Bleeding

JOHN L. LEWIS, President of the United Mine Workers of America, who attended the International Labor Conference at Geneva, on his return, said that one of the significant things he observed was that for so many countries the delegates no longer represented labor and industry but were from Fascist or dictator-ruled states "in which labor at least was a pawn in the hands of a completely centralized governing group.

"In all of these countries Democracy as we know it and love it is dead, and still more, the number of countries of that character is steadily growing. All of us are fully aware that this threat hangs over our own country."

* * *

The Drought Area And Its Future

THOSE who have visited Western Canada recently and talked with men who have known the West and its agricultural problems for a generation or more realize that it is much too early to dogmatize about the future of the drought areas of Saskatchewan and the smaller drought areas in the other two provinces.

On one point the most seasoned observers in the West agree; that the area that will have to be abandoned entirely is very small. The long term record of most of the so-called drought area is such as to promise adequate rainfall over a long term of years as soon as the present drought is broken. When Southern Saskatchewan has enough rain it grows the finest wheat crops in the world. It has done it in the past and there is faith that it will do it again in the future.

* * *

SOME measures of conservation, it is generally agreed, are necessary to prevent a future drought from being as deadening in its consequences as the present extended drought has been. Drought will come again, although in the lifetime of those now living there may never be another drought lasting as long as six years.

Many people have set forth their views as to what should be done by way of conservation, but the truth of the matter is that the problem has not been adequately studied. Until engineers, technical agriculturists and the farmers themselves, have had an opportunity of studying the problem thoroughly no one should be too persistent in presenting any half-considered viewpoint. The protective steps will probably involve tree planting, hedge planting, the damming of certain rivers to create water reservoirs, possibly the filling in of some ditches which now drain the fields too quickly, even further modification of dry farming methods. Man cannot create the rainfall, but he can take steps to see that such rain as does fall is conserved and used to the best advantage.

* * *

THE suggestion of Premier Bracken that the three western provinces, together with the Dominion, should co-operate in studying the problem and deciding upon a line of policy is a sound one. He urges the Dominion Government to meet the cost, but suggests that the provinces might offer, without charge, the facilities of the technical men in the public service in the investigation. As the problem is national in character and the western provinces are not in good financial condition, it would not be out of the way for the Dominion to pay the cost of the investigation which would have to extend over two or three years.

There should be full co-operation with the American government and the American states because Canada's problem is only part of the greater problem of what has for many years been known as the Great American Desert. The northerly tip of this so-called desert projects into Canada. The United States government is giving attention to the drought problem of its mid-West area and it would be foolish for us to ignore the possibilities of co-operation with their technical authorities.

* * *

THE problem of the drought area of Western Canada must not be allowed to lie forgotten should adequate rainfall this autumn or winter ensure a good crop next year. Eventually, some day, the problem will arise again and we should be prepared to meet it.

Possibly the chief contribution the individual farmer can make is to build up financial reserves to see himself through. When one studies the long term average income of the farmers of Southern Saskatchewan it will be seen that, taking the good years with the bad, there was no reason why so many of the farmers in that area should have been caught by the drought in such unfortunate financial condition. But human nature is much the same, whether on the farm or in the city, and preaching to the farmers to put something aside for the day that is not rainy is not going to dispose of the drought problem.

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Canadian Apples on the British Market

Criticism Recalled

Just a year ago this week, The Financial Post published an article comparing the disorganized marketing of Canadian apples in the British market with the methods of American fruit exporters. It was suggested that there was much scope for the further development by Canadian exporters of the apple market in Great Britain, and that the success of United States fruit marketers in distributing their products in that market provided a subject for useful study.

It was this article that brought from Prime Minister R. B. Bennett a most violent attack upon what he characterized as "The Fantastical Post." "Fanciful statements," he said, "are made that appear only for the purpose of deluding the people."

In this connection the following excerpts from the September 22 issue of Fruit, Flower and Vegetable Trades Journal of London, England, regarding last year's apple season in the United Kingdom, are particularly pertinent:

"The Canadians did not know where they were. They were not organized and they flooded the market. Each shipper tried to get what he could. The result was that the Canadians themselves broke the market. The Australians lost money, the Canadians lost money and the British lost money.

* * * *

"Unfortunately, it is a lack of this required uniformity which militates mostly against Canadian apples, as compared with those from Oregon and Washington, the main supplying U. S. A. states. High standards have been fixed by United States shippers and are rigidly maintained. For these reasons, in spite of the 25 per cent duty in favor of Canadian apples, buyers are willing to pay a premium of 1s. to 2s. 6d. per dozen for United States gallon apples.

* * * *

"The bulk of the American apples sent to the British market come from Oregon and Washington, principally for the fresh apple trade, where they are graded as 'Fancy,' and 'Extra Fancy'... Bruised apples are not used...Nor are United States packers content with this form of service. They study their buyer's requirements and will supply an apple that is white or gold in its color, as the buyer desires. Canadian packers might do well to concentrate on improvements of pack on a basis similar to that of their American competitors."

During the calendar year 1933 Canada exported to the United Kingdom a larger quantity of apples than did the United States, but received for them lower average prices.

Successful export merchandising does not consist of shipping millions of cases of apples at ruinous prices. The only way is to export merchandise in accordance with the requirements of the market, and having regard to competition.

The criticism of The Financial Post a year ago was of a constructive nature and was written by J. K. Ross-Duggan, editor of Canadian Trade Abroad, after a careful study of the market situation in Great Britain.

It is only by having deficiencies in any line of business pointed out that remedies can be applied. Unfortunately, many people resent criticism. This is particularly true of governments which depend for their existence on public approval. But where inefficient methods are apparent, the public reaction is bound to come sooner or later. Any government that profits by honest criticism will earn and usually get the approval of the public.

It requires the co-operation both of the apple growers and exporters of Canada, and of the governmental marketing authorities, to improve the position of Canadian apples in the British market.

By the Ottawa agreements Mr. Bennett paved the way for an enlargement of our markets in Great Britain, and this achievement must be followed up with perfected marketing methods if it is to come to full fruition.

Since The Post's criticism was published, a fruit export board has been formed at Ottawa to attempt some systemization of Canadian fruit marketing abroad.

TASCHEREAU'S THREAT ANSWERED BY A.N.P.A.

(Continued from page 1)

interests of their own people, but, on the other hand, we are doing exactly the same thing when we intervene to protect a basic industry, such as the paper business.

"During the war, paper was sold at as high as $150 a ton. Today, it is being sold at $40 a ton. Even taking into consideration the changes which took place in the industry and the marketing of the products, it cannot be denied that the latter price is below cost.

"It is the duty of any Government to take the proper measures to protect not only the capital but the workers engaged in the basic industry of pulp and paper We will not shirk that duty.

"It is not the intention of the Government to interfere with signed contracts, unless it is shown that they have been obtained under certain conditions, but it will certainly take all means at its disposal to prevent future engagements being concluded, without a due consideration to the interests of the province.

"It is to be noted that those who protest against the intervention of the Government of Quebec in such a vital matter are the same who submit to the dictates of the N.R.A. in the United States.

"The Government of Quebec hopes that a satisfactory agreement will be concluded between the conflicting interests, but if such an agreement is not arrived at, it is prepared to ask the Dominion Government to use its powers to prevent the export of newsprint to the United States, when sold below cost price."

How far Premier Taschereau would go in carrying out his threats is a matter of speculation. While his public statements would indicate that there would be no backing down, there are many of the opinion that the Quebec Government would hesitate in taking or instituting such action as might close down one or more mills and throw several thousand men out of employment. It is said that it is questionable how far the Government might penalize a manufacturer, who sells his product at his own price, if, in all other ways, he is complying with provincial regulations as to wages, etc. Further who is to determine the cost of manufacturing newsprint? No two producers have the same costs and an average would be putting a premium on the inefficient mill.

Resent Quebec's Interference

Members of the American Newspaper Publishers Association, the buying power of whose membership can make or break the Canadian industry, don't like Premier Taschereau's interference in what they look upon as a "private fight." Howard Davis, president of the association, has issued the following statement to the membership:

"The open threat of interference by Premier Taschereau of Quebec with the further business activities of the St. Lawrence Paper Mills if the latter persists in carrying out contracts duly entered into with certain American newspaper publishers, gives rise to grave questions as to the validity and dependability of contracts made with Quebec companies, not only by publishers but by all corporations.

"Should Premier Taschereau and certain Canadian banks, by unusual restrictions imposed upon the St. Lawrence Paper Mills succeed in establishing a precedent whereby contracts betwen Quebec mills and United States publishers may be arbitrarily vitiated, the directors and the newsprint committee of the American Newspaper Publishers' Association will be compelled to advise its members to turn their attention immediately to other available and potential sources of supply."

Propaganda and Threat

Mr. Davis's statement is regarded as part propaganda and part threat. The use of government spokesman by the Canadian industry to further their cause is taken for what it is worth, likewise the "blasts" of the A.N.P.A. form part of the campaign of the larger American publishers to keep the price of newsprint at present levels for next year.

The advice of the president of the A.N.P.A. of having members turn to other sources of supply can be interpreted in several ways. His veiled "threat" may mean the penalizing of Quebec mills if St. Lawrence Paper Mills is prevented from fulfilling its contracts. It may mean the more active development of the Southern slash pine as a base for future newsprint supplies. Or it may mean heavier importations of Northern European newsprint.

Need Canadian Newsprint

Above all, however the fact stands out that the American supply of newsprint is approximately 2,000,000 tons short of meeting domestic requirements. While publishers can increase their purchases of European newsprint and maybe increase the domestic supply, they are still dependent upon Canadian sources for a very large share of their requirements no matter what steps are taken in the immediate future. It is possible for them to cut down on their purchases in Canada, but it is not possible for them to eliminate Canada as a source of supply for many years to come.

An independent survey of the present controversy over the newsprint prices, would show that the manufacturers have reasonable grounds for their desire to increase the price on next year's deliveries. Wages, pulpwood, etc., are all more costlier and an advance of from $2.50 to $5 a ton would not do more than offset the increase in manufacturing costs over the past twelve months.

The manufacturers seem to have got off on the wrong foot in their campaign for a better price. They appear to have overlooked the basic fact that this is a buyers' market and not a sellers' market. The question of prices on 1935 deliveries might have been settled amicably for the publishers in the main, recognize that a stabilized market is in their own interests and that a nominal price increase could be borne. The lack of co-operation between the seller and the buyer and the present controversy have set up a deadlock which may prevent a settlement of differences on the price schedule for 1935.

What are the Churches doing about WAR?

Do you know that Christian countries pay 90% of the world's armament bill? Read what H. Napier Moore says in his editorial, entitled—

"NOVEMBER THE ELEVENTH"

Also in This Number
"WAR BUSINESS"
Sensational evidence that was revealed before the Senate Investigating Committee at Washington

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GOV'T TO TAKE DEEPER PLUNGE IN MORTGAGES

(Continued from page 1)

last few months); 1,458 in 1930-31; 1,049 in 1931-32; 536 in 1932-33.

The annual reports disclosed that the Farm Loan Board is falling behind at a rapid rate and that large scale losses to the taxpayers are inevitable. But while the loaning activities of the board were held within modest bounds the sum total of the losses could not be great. Now, with the government using the board as a medium through which the general level of interest rates may be affected, the picture of future losses is vastly changed. In four years of operation the board loaned about $11 millions.

Query Statute

The government now places an additional $10 millions at the board's disposal with another $57 millions in reserve. On this point there is a shadow of doubt. The Farm Loan Act provides that the government may purchase the bonds of the board up to a total of $40,000,000. It then provides that the government may guarantee the bonds of the board up to $30,000,000. It is thought in some quarters that the forty million limit governs in both cases. The language of the statute, however, would strongly indicate the reverse. Officials at Ottawa, when questioned on this point declined to give an opinion. Informally, however, the official view is that the limit is seventy millions.

At the outset, the Farm Loan Board got its money from the government at 5 per cent. On the original advance the interest payment was waived for three years.

Spread 1½ Per Cent

The policy upon which the board proceeded to operate was to take a spread of 1½ per cent to cover operation costs. This meant loaning to farmers at 6½ per cent and the board held firm to the policy of loaning not more than 50 per cent of the appraised value.

Now with 4 per cent money, the board will charge 5½ per cent on first mortgage and will go higher than 50 per cent of the appraised value if it is thought advisable so to do. In addition the board will launch out into the second mortgage business. The rate, here, will be 6½ per cent.

The Farm Loan Board operates in six of the nine provinces. The three provinces which have never "enabled" the board to do business within their boundaries are Saskatchewan, Ontario and Prince Edward Island.

CAN. WINERIES NOW OPERATING ITS U. S. PLANT

(Continued from page 1)

wineries are willing to pay a premium.

There has been an overwhelming surplus of Concords and Niagaras in Canada. After this and other companies this year had made firm contracts with growers at $40 a ton for both varieties, the government intervened and asked the companies to pay $40 a ton for Concords and $50 for Niagaras. In the United States the company has bought all the Niagara grapes it wants at $40 a ton even though the United States is definitely back in the wine business in a large way. It was true that Niagaras were a little scarcer in Canada this season, and the action of the government was based on the idea that the demand for Niagaras was greater.

Can Meet Domestic Demand

Physiologically speaking, a sound wine can be produced from any type of grape, but the wineries respond to the tastes of drinkers by producing wines from the grapes that tickle the palate the most if they can get them. They want all the Catawba and Delaware grapes they can get, for instance, both for getting wines from these grapes alone and for blending. It increases the appreciation for Canadian wines, which are steadily improving.

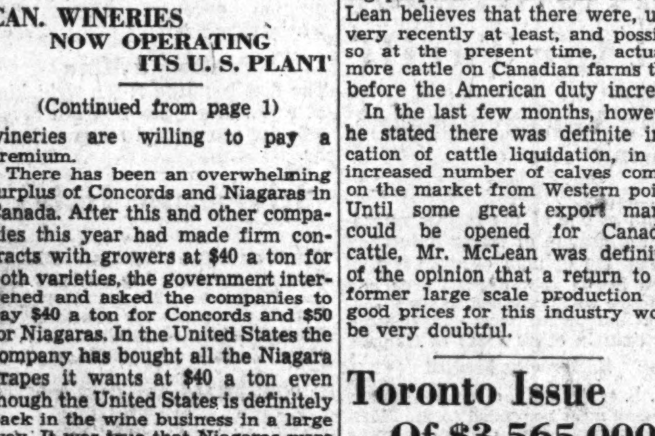
Executives of winery companies are somewhat exercised by a recent report from Ottawa on the wine industry saying "The output of wines in Canada is not sufficient to meet the domestic demand." Most of them have a large surplus and could make as much as Canadians would drink. They believe that sooner or later the palates of Canadians now taking imported wines will be educated to appreciating wines from the native grapes, especially as they hope to improve these wines continually as other types of grapes are made available. They report some success, stating that individual growers here and there are breaking out of the rut and making new planting of lighter varieties.

Toronto Issue Of $3,565,000 May be Made

City Council of Toronto has authorized reduction of the interest rate to 3½ per cent from four per cent on $3,565,000 of unissued debentures. Mayor W. J. Stewart has indicated that the city will call for tenders for this amount of bonds.

The total is made up chiefly of $1,400,000 on account of this year's direct relief expenditures and $1,200,000 for waterworks. The remainder is for various public works. The relief debentures are for a term of five years. All the bonds will be serial maturities.

Canadian Wineries New Plant in United States



Constructed with a single eye to wine industry, this new plant has been in operation at Lewiston, N.Y., for several weeks. It is said to be the most modern plant in the world's wine industry.

Tenders for County of Carleton Debentures, 1934

Sealed tenders addressed to the undersigned will be received up to 2 o'clock, P.M., Thursday, November 1st, 1934, for the purchase of the following debentures, bearing 5 per cent interest, with coupons attached, dated September 1st, 1934.

$20,475.00 payable in 10 equal annual instalments of principal and interest.

All tenders to be Ottawa funds.

The highest or any tender not necessarily accepted.

HENRY R. WASHINGTON,
County Clerk and Treasurer,
Court House,
Ottawa.

Tenders for Debentures

Tenders will be received by the undersigned, up till six o'clock on Wednesday, the 31st day of October, 1934, for the purchase of $132,000.00, 6%, 10-year debentures, for the building, equipping and furnishing a High School at Schumacher in the Township of Tisdale.

Debentures will be for $1,000.00 each and odd hundreds, equal annual payment $17,934.58. The above is issued under Township By-Law No. 425.

Further particulars may be had from the undersigned.

Dated this 23rd day of October, 1934, at South Porcupine.

FRANK C. EVANS,
Treasurer,
Township of Tisdale.

Canada Can Lead the World Back To Prosperity

PROFIT MOTIVE And RETURN TO GOLD

"Planning" by Politicians No Key to Recovery

By WILLIAM HENRY MOORE

What the public thinks is alone popular. And, frankly, I am pulling up-stream.

Canadian are not so wise; they are allowing themselves to drift with democratic institutions into waters that never yet, anywhere, sustained Democracy.

Political freedom cannot long survive any form of economic socialism; and never has economic socialism produced economic plenty; therefore, I am opposed to it. I have thrown my lot with economic liberalism. It is not yet a distinctive party label—economic liberalism—for, a short time ago, it was the policy of both Liberals and Conservatives.

Not Quite Upside Down

The International Labor Bureau, after exhaustive investigation, reported, in 1926, that Canadian workers had standards of living among the three best of the nineteen principal countries of the world. I am all for restoring that structure and improving it that we may have less distress and greater comforts for workers whose services do not ordinarily call for rich reward. I cannot believe with Mr. Stevens that the country's economic structure is upside down. From one of the best structures in the world it cannot have become quite down-side-up in 1934. Even were it so, the structure has not taken root; it may be put right-side-up by willing and sympathetic hands.

Mr. Stevens deserves credit for having dragged the combines into the glare of public opinion. The practice of "fixing prices" is contrary to the doctrine of economic liberalism and, at times, both Liberal and Conservative administrations have been lax in enforcing the provisions of the Combines Act. Always against "public interest," the practice of "controlled prices" is particularly destructive of public interest, when important staples e.g. wheat, cotton, etc., are subjected to violent price dislocation. In fact, the practice is responsible for much of the world's present disorder.

Uneven Fall of Prices

It is unevenness in the fall of commodity prices and the rigidity of taxation that has mainly contributed to the drop of trade.

When essential services are held above the buying power of the general public the results are lack of orders, with deprivation of service for consumers, and unemployment for workers. When a sufficient number of important industries have withdrawn from the country's economic structure it becomes unbalanced and eventually it collapses.

The competitive economic structure is capable of carrying only a limited amount of monopoly. When the amount becomes excessive, it is necessary to choose between restoring the old structure or adopting a new one.

It may be Canadians will choose the structure of national socialism, with combines for capitalists, and codes for wage earners, but, since combining and coding cannot be carried on for all distressed classes alike, the inescapable result is to intensify distress. And above all, must be reckoned the loss of freedom that comes when a council is set up by Government in which, using the words of Mussolini, "the general staff is the brain of the army, so the council should be the brain of the national economy, preparing and giving orders."

Can We Be Ordered

I cannot believe Canadians may be "ordered" by rulers into "orderly" production, as if they were peasants of Central and Southern Europe. The semblance of order in Central Europe is maintained only by constant patrol of armed troops and a terrorism previously unknown in history.

What we have been calling civilization depends upon the restoration of a commodity market in which individual producers are fairly free to sell and buy. Quite plainly what happens in the credit market directly determines what will happen in the commodity market. That is why the main issue is so largely monetary. When capitalist states intervened to supply chosen producers with credit below "market rates," e.g. wheat growers, they brought about uneconomic production and eventually defeated the very object they sought to attain. When a man is delegated to determine the country's volume of credit, then the welfare of the country is dependent largely upon one man's judgment. For that reason I have never been able to work up any enthusiasm for a central bank. In a real sense, credit implies control of other people's capital—the savings of the poor as well as the capital of the rich—for assistance in further production. When those savings are diverted from profitable channels into other channels, the result is loss rather than gain and eventually bankruptcy which is not at all in "the welfare of the community at large."

Concentrating Power of Error

The Canadian banking system differs from that in which banks were "tottering to apparent ruin" in several respects and one of the major, saving graces of the situation lay in the wider distribution of judgment in regulating the volume of credit. Errors were made but errors were better distributed.

When you concentrate power, you widen the area of disaster, in the event of error.

The Government has given to Mr. Towers control of credit, as a lever, and the country, as a prop; it remains to be seen in which direction he will move the country. The Deputy Minister of Finance is apparently a little apprehensive that at times Canada may be moved in the wrong direction for he says: "Central banks are run by men and as long as human nature remains fallible central bank executives may err in their prescription of a particular remedy."

When Governments Rushed Into Plans

Coaxing Prosperity Back

When Adversity edged Prosperity off the stage in the latter days of 1929 the grey beards tightened their belts, sat back, and prepared to wait the reversal of the rôles. What had been would be again. History would repeat itself. Sooner or later Adversity would play itself out.

Less supine people were all for having something done. When anyone indicated flaws in what they proposed to do they said, "things can't be any worse than they are," which is really an exceedingly difficult statement to answer. Quite a number of them argued that it was folly to expect Prosperity to return and asserted it had been fatally injured while capering about with Big Business in the hectic scenes that preceded its exit. While still others strenuously protested against its ever returning with the old cast to enact once more the tragedy of Private Capitalism.

Weapons Of Recovery

Gradually most of us became less supine; and became bent upon having something done. We concluded the depression of 1930—was not an ordinary cyclic dip and not at all subject to the economic laws that are supposed to govern crises. When a grey beard, from his arm chair, began, "I remember back in 1896—" we took to our heels and hastened off to a meeting of our several reconstruction leagues where we sat into the small hours, and talked of setting things right by grading farm products, marketing boards, regulating price spreads, farm loan boards, import quotas, tarifs de combat, import monopolies, export bounties, stabilization and equalization schemes, debt adjustment boards, farmers' loan boards, managed currency, exchange control, commodity dollars, bimetallism, social credit, and some other things which (not quite rationally) we called rationalization.

Looking To Governments

You will observe that all the things we discussed at the reconstruction leagues involved Government action. We relied on the Government to deliver the goods, or, rather, felt helpless, as individuals, to deliver them.

The idea of Government action took hold of the minds of the people and what is in the popular mind decides policy; speedily under democracy, eventually under dictatorship.

European minds, under greater stress than ours, brought the issues more speedily to definite controversy. Largely, Europeans abandoned individual economic enterprise and worked for the state, as in Russia, or, at the direction of the state, as in Italy.

Canada's Lag in Socialism

Canada has lagged behind the procession, even behind the United Kingdom, the United States and Australia. As we go on to consider Canada's future action, I would have you note that Canada has also forged ahead of the depression, or better still, within the past twelve months, Canada, with less Government intervention than in most countries, has made greater progress away from depression than other countries. Canada, by preserving better the tenets of economic liberalism, has passed the parade of nations under Socialist banners.

We Are Part Socialist

But Canada has by no means abstained from Socialism. We came into our difficulties largely by departing from several, fairly simple economic laws which, by restoration and observance, will give us not only the measure of prosperity we formerly enjoyed, but even greater prosperity. Everywhere it is a matter of men and materials. Canadian tasks are different from those of the United Kingdom, although we frequently try to solve them by the same divining rod. With ten and one half million people, possessing half of a richly endowed continent, all industrious Canadians ought to have abundant life.

Government Planning Means State Coercion

Uplifting The Other Fellow

When anyone comes saying that they have a plan or two for the compulsory uplift of something; or that planning is a new thing essential for the times; in fact, that the times are such we cannot get along without collective planning; then I recommend they should go back fifty years and read William Graham Sumner's book, "What Social Classes Owe to Each Other." The old Yale professor diagnosed the motive power of the modern planner with rare skill, "for A to sit down and think what shall I do is commonplace but to think what B ought to do is interesting, romantic, moral, self-flattering and public spirited all at once."

Repealing Economic Law

With all its philanthropic setting, the plan is inevitably carried to the legislature, a dangerous environment for brotherly love; there are policemen and soldiers in the anteroom and, statesmen are fond of displaying the coercive powers they possess. They have different obsessions as to the object against which the power should be directed; Canute's obsession was tides; Mr. Stevens's obsession is the Law of Supply and Demand. He would repeal it.

—Sketched from life by Evan Macdonald.

WILLIAM HENRY MOORE, M.P.

But Mr. Stevens seems to forget that before the war we were all trying to repeal it; during the war we though we had it repealed; and since the war, we have been trying to keep it repealed. And all the while we were just building dams around staples with credit, and when we couldn't raise the stop-logs of credit still higher, we couldn't, like Canute, move fast enough out of the way.

Of course there are good plans and bad plans, and, as you may suspect, I am for the good ones. I draw the line partially by the streaks of coercion a plan may contain. For illustration, going to church is an excellent plan, but when the state began clipping off people's ears because they didn't go to church, a good plan became a very bad one. Free trade is as much a plan as protection.

Voluntary co-operation is a plan, and not to be confused with compulsory co-operation. Competitive economy is a plan; the combine, the cartel and the trust are plans. Laissez faire is a plan, although disabled by latter day Georgians, who ungraciously denounce it as "planless economy."

Opinions About Freedom

Some coercion is necessary in the conduct of society. The difference of opinion about coercion therefore exists, mainly, I repeat, as to the objects upon which it should be exercised. Mr. Stevens holds against Mr. Woodsworth in the matter of speech but he holds with Mr. Woodsworth in the matter of eggs; while I am against Mr. Woodsworth on both counts.

When we have adopted a sufficient number of compulsory economic plans we have to have more; and naturally we have to surrender an equal number of voluntary plans. When the scale has lost its balance we find ourselves, according to the direction of the compulsions, in either state socialism or Fascism.

From the Credit Age to the Debt Age

Living On Borrowed Money

Before prosperity left the stage we were boasting of the easy life we led; we left cultivating fields to tractors and milking cows to machines, while we went about in motor cars and airplanes, and even our immediate ancestors had never dreamed of doing such things. Not all of us were well off, but we thought of the time when we should be all well off. If we bothered asking the reasons for the change that came over the times, it was to be told that we were living in The Credit Age.

That was something most of us could understand for we lived on farms purchased by credit; we bought motor cars on easy payments and ran them over roads that had been built on credit. The kitchen stove was bought on the installment plan and worked by the power of plants constructed by credit of the province. Brokers employed a fair portion of the population, selling stocks, bonds, debentures, etc., largely on credit. And most people thought themselves prosperous.

Debts Come Home

Then the disc flipped. And we found ourselves in the Debt Age. It may have taken people several generations to emerge from the Dark Ages but we seemed to have fallen back into them overnight. Men were puzzled as never before about the organization of society. The mines were capable of producing coal; the factories were equipped to turn out saxophones and things; and people still wanted coal, saxophones and things; but no one wanted to sell them on credit to those of us that were unemployed, and we were largely unemployed. At first thought the seat of the trouble lay with monetary organization. For most of us lacked money.

When men and companies slowed down their trading, closing plants, and dismissing hands, the politicians, in an endeavor to get the wheels turning again, tried to widen the credit base. From every quarter came the advice that what the world needed was more money; the paradox of plenty and poverty was to be explained by the insufficiency of the medium of exchange. It was a convincing argument to most of us who knew that our own personal distress was directly attributed to empty pocketbooks. We had always been told that money would make the mare go and thus the more readily expressed an opinion as to why she had stopped.

Plans To "Make" Money

Then came the question which most of us had seldom troubled ourselves to answer. Put in divers forms it involved the nature of money and we fell into disagreement the moment we tried to answer. Many there were to assure the politicians they could themselves "make" money by simple legislative enactment, and themselves manage it, with the aid of a few hired experts. The thing was as easy as rolling off a log. Several of the nations tried the suggestion and promptly rolled off the log. Those nations that had had recent experience in "making money" stubbornly refused to believe in miracles. In Germany, where bakers had but a few years ago pulled half-baked dough from the ovens and rushed to buy flour with its proceeds, it is contended that to renew making money without an adequate metallic base is to begin the end.

Priming The Pump

So much has been written on the subject of inflation that it seems necessary to write more on the subject. Throughout the controversy that has been carried on proper distinction has not been made between inflation that was unconscious and an inflation that was conscious i.e. a deliberate attempt to raise the general level of prices by forcing money and credit into the economic structure. For example, the Canadian Government adopted the latter policy in its special works programme in the session of 1934. The object was presumably to prime the pump of private enterprise but obviously the reverse effect is to be expected. When the works are completed, the men will be dismissed and, unless corrective action is taken, the distress of the building industry will be aggravated. For private industry will have been discouraged by uncertainty as to the future buying power of the dollar and will be pardonably hesitant about making long term commitments expressed in dollars.

Wearing Down Confidence

At this late date it seems unnecessary to say that suddenly violent changes in the price level, either up or down, are undesirable and the sudden slump of 1930 brought embarrassment to all debtors, with long term commitments, and particularly to several hundred thousand wheat growers. But trying to correct the situation by gradually undermining confidence in the national unit of currency is a deplorable thing.

State Planning of Money

Now it is proposed that the state shall plan money having relatively little or no intrinsic value in gold, or anything else, apart from the state's own law or practice. Opinions as to the feasibility of the plan vary according to our respective opinions as to the ability and integrity of the state in money management. Some of us cannot readily overlook that times again the state has mismanaged money. True, the state is not the same sort of state that clipped and debased coins whenever it needed money, and, yet, the state is always a set of very human beings. The maxim, "the King can do no wrong," is at best a legal fiction. For states are continuously getting in wrong with their own people and other states—all through the fallibility of ministers.

Restoring Confidence in the Country

Fear Of Confiscation

Confidence has been squeezed out of the world. Fear has taken its place; until confidence is restored, we can never have recovery; it is not fear that our natural resources have played out; that our factories, farms, ships and other agencies of production have been destroyed; it is fear of confiscation of property, the fear of compulsion in production; a fear that makes for poverty with capacity for plenty; an undefinable "something" is supposed to have crept over the world and with rounded phrases men talk of "changed times and changed policies." We are told that the day of capitalism is gone since the last, best West has been exploited. And it is true, the United States will soon be classed with the more densely populated countries, while Canada has highways, railways, gasoline stations and legislative buildings with capacity to accommodate three or four times its present population. How then are we to put men back to work. It is idle to build more of most things. The real answer affects not the exploitation of unsettled lands rather does it lie in the satisfaction of consumers' wants. Little doubt exists that, whatever its primary cause, our depression came after we had completed an abnormally heavy building programme. We had taken men out of factories and put them to work on extending factories. When they slid the last girder into place, and mortared the last brick, they had drawn their last pay envelope. At first sight, re-employment may seem impossible as we appear to have a sufficient number of fully equipped factories, but, on second sight, it would appear that our plain duty is to so conduct affairs that those who were taken out of factories to build and machine factories should now go back to work in the factories.

Mobility Of Labor

When labor became less specialized (with extended use of machines) it became more mobile. There are lots of things we all need and we should have them, if our public men, who profess friendship for capitalism would cease complaining about the "breakdowns" (they have brought about) and "up-side-downs" and settle themselves down to re-establish confidence in private enterprise.

Most of us would then begin lending, borrowing, producing, selling, buying, satisfied that in the open market we should have and give rewards in proportion to the value our neighbors attach to various services. We can expect no more; we should have no less. Then, we should, in due course, begin with the building of houses. Most families need better houses; and once the heads of the families have obtained buying power by providing the goods required in everyday life, they will have houses out of their own efforts.

Of course, it will be necessary to restore confidence in credit because men do not usually build houses out of short-term earnings and the long term use of other people's savings is not to be had, unless the other people are satisfied that the future offers reasonable prospect they may have their savings back, with interest, at the end of the long term. In further course of time, we shall require more factories. Prosperity begets itself, as does adversity.

Dependence On Gold

The plain, everyday man must be kept in the foreground of the world's picture of money. It may be men should not be so dependent on gold, or, for that matter, so dependent on wheels to go places. After an unusually good dinner one may dream that one has escaped the thraldom of wheels; but men really fly only with the aid of the wheels of a machine; man is human! Gold cannot be expected to work automatically within the credit system, but no doubt, it would work fairly automatically were it not for government intervention in industry, and particularly in the trade between nations.

Never Quite Automatic

I would have it not forgotten that inflation was a form of managed money—the best form that some nations could devise to satisfy the organized clamor of producers. As we have times again observed, the gold within monetary organization was never allowed to work quite automatically, it was always managed, but when the nations leaned more on management and less on gold, and, finally, began managing without restraint of gold, it was very, very difficult to stop short. Those who advocate managed money always argue, as if they, themselves, were going to do the managing, they never appear to realize that the final and real "management" must rest with politicians, subject to the pressure of distressed, voting groups of organized producers. When the state controls credit, under democracy, it is inevitable that credit should be directed to the use of classes of producers, and not always with due regard to the prospect of individual producers using the credit with profit, and so naturally the next step is compulsory class production for when capital is used unprofitably over periods of time the result is bankruptcy.

It is really difficult to understand why trust should be placed in the political management of money. It has been tried times again and failed.

Ready for Release

After four or five years of rigidity the springs of private enterprise are impatient for release. They require but confidence in contracts from governments, and they are given the word of a Canadian Minister of the Crown, that the economic structure is upside down. Surely the people should be given the opportunity of deciding whether they will seek recovery by (a) the compulsion of the state with planned industry or (b) by the restoration of confidence to private enterprise.

In the turn of events, Canada is called upon to make a contribution to world recovery. For my part I can think of no greater contribution than to tell the world that Canada will restore prosperity on the stage of economic liberalism. Economic liberalism is the doctrine that people are better fed, better clothed, better housed and generally better off under voluntary economic effort than under compulsory effort. Economic liberalism attaches the highest value to man, and holds tenaciously to the thought that man is at his best when freest. Abandoning economic liberalism, the state-craft of great nations brought poverty where there should have been plenty. In every country there are those who now, appalled at the consequence, ask that economic liberalism shall be restored, but their voices are becoming less audible through the thickened walls of the Socialist's unfreedoms.

Must Have Confidence

Since economic liberalism is dependent upon men coming voluntarily together in the business of life, it is essential that men shall be given confidence in their relations as they take up the work of transferring wool from the sheep's back to clothes on our own backs, and iron ore from the mines to barbed wire fences that scratch our cows, and everyone of the other million acts of modern economic life.

Unless men are compelled by the state to serve, they usually serve only when they have confidence in obtaining rewards commensurate with service, and the facts will have it that they have confidence in rewards expressed in gold. No matter how much you may despise a "gold fetish," nor how ardently you cling to a monetary theory that has little or nothing to do with gold, when blue chips became almost paper in the eyes of men; when first mortgages on farm property were almost unsaleable; and even the bonds of great countries slumped toward zero, men held their respect for gold. In a word, that is why I advocate the restoration of gold as the standard of world's monetary organizations—for the faith men have in it.

Plainly the revival of private enterprise depends upon the revival of confidence between traders.

Private enterprise is to be put to work, only by restoring confidence that the risks of industry are not out of proportion to the chances of profit. I can think of nothing more calculated to take us speedily out of depression than an influx of gold into monetary channels.

Prosperity has the temperament of a prima donna, but with all her faults let us bring her back.

For Sale
FREEHOLD TIMBER LANDS

THE Canadian Pacific Railway Company offers for sale 150 square miles (95,718 acres) of valuable freehold timber lands situated in the Province of Quebec, estimated to contain from 5 to 6 cords of pulpwood per acre, or about half a million cords, other valuable timber and about 42 per cent arable land.

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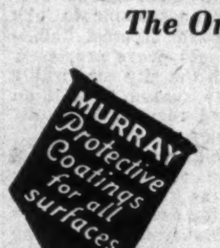

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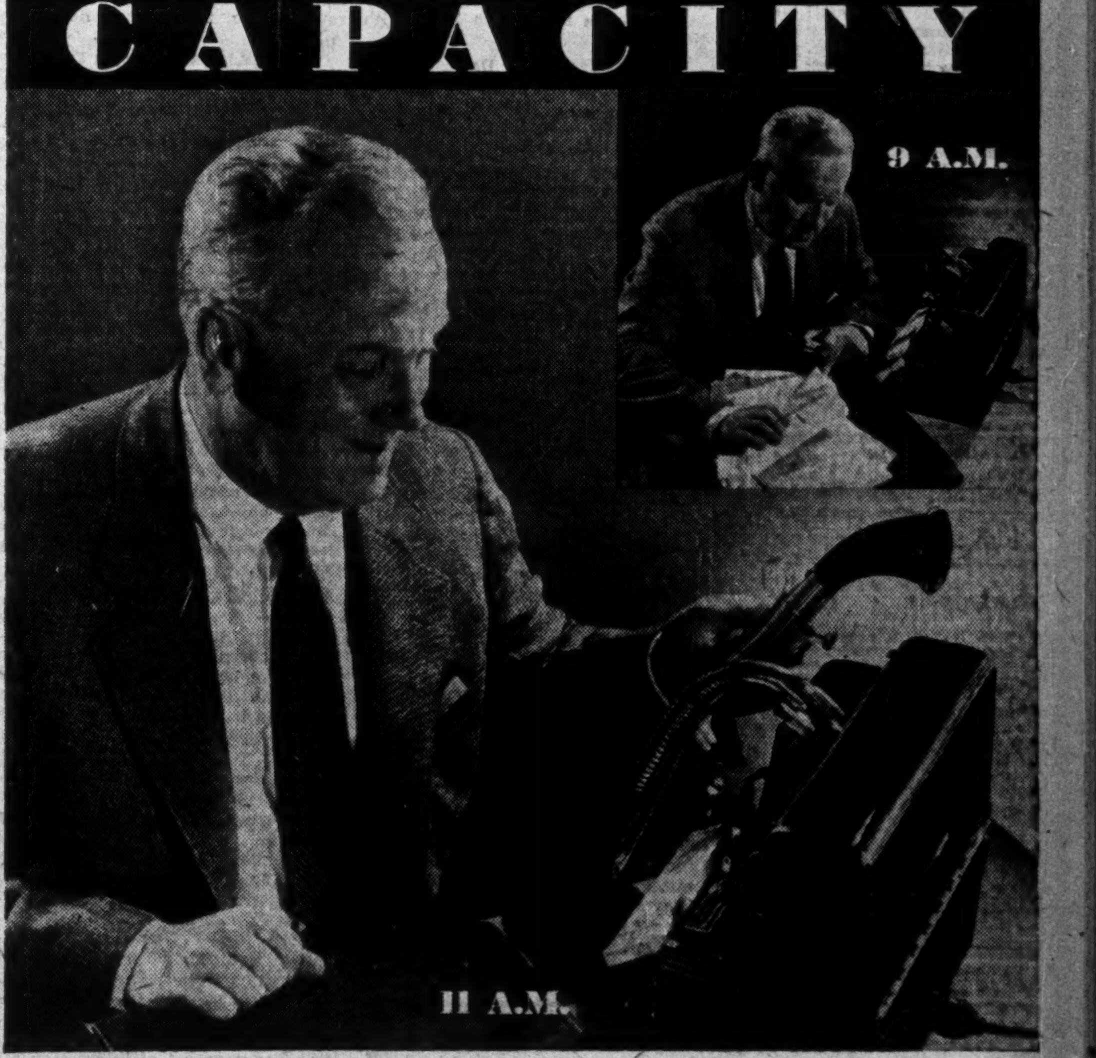

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The man who lets the daily job of management cheat him out of the time he should devote to creative planning is not giving his best to his business.

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Utilities and Transportation

DUFFERIN PAV'G GETS CONTRACT ONTARIO ROAD

To Build 30 Mile Stretch Out from Fort Francis

$800,000 JOB

Recent Change in Government Does Not Seem to Affect Company's Business Chances

Dufferin Paving and Crushed Stone Ltd. has been awarded a contract, as the lowest bidder, for approximately $800,000, by the Ontario Government for new road construction in Northern Ontario, The Financial Post has been informed. Not only is such a contract important in itself, but of more significance, it is understood, the deal indicates that this company is not "out of bounds" for such government business.

Not Banned

Following the picnic incident during the last Ontario provincial election campaign the belief was expressed that in the event of a change at Queen's Park Dufferin Paving would have no chance of securing future government work. The new contract, plus two or three smaller undertakings in Southern Ontario is now interpreted as proof of the inaccuracy of such a prediction and that the company will continue in the future as it has in the past to be able to secure business from any provincial government regardless of politics.

30 Miles of Road

The latest contract covers 30 miles of new road construction between Fort Francis and Kenora and is part of the new Trans-Canada highway system, which in this part of the country will eventually open an all Canadian road from Ontario to the Manitoba Boundary. When completed it will no longer be necessary for motorists to go through the United States. Construction work, The Post understands, is to start immediately.

Winter Work

Because it is largely clearing and rock work, with little concrete necessary it will be possible to continue the work right through the winter and spring, it is stated, and the contract will take a full year to complete. The job involves clearing the right of way of timber, cutting, fills and grading. Machinery from the company's plant at Toronto was shipped north this week. Ordinarily at this time the company, in common with similar firms, would practically cease operations, and lay off most of the temporary employees until general construction started again in the spring.

Better Year

This latest contract together with moderate business on small building jobs last summer and this fall are taken to indicate a better year for the company than in 1933. For the fiscal year ended Dec. 31, 1933 Dufferin Paving, after depreciation of $349,842 and depletion of $21,945 had a net loss of $81,066. Net earnings amounted to $290,721. It is impossible to make a comparison with the previous year as nothing was allowed for depreciation in 1932. For 1931 with net earnings of $381,658 the company had a net profit of $85,814 after depreciation of $250,000 and depletion of $45,844, but before provision for income tax.

Listless Lumber Market

Lumber exports from Vancouver show a slight decline for the month of September and the present market is regarded as rather listless.

Public Utility Earnings

Brazilian Traction

September:	1934 Dollars	1933 Dollars	Increase Dollars
Gross earn...	2,677,724	2,450,869	226,855
Oper exp. ..	1,242,554	1,061,936	180,618
Net earn. ...	1,435,170	1,388,933	46,237
Aggre. gross from Jan. 1.	22,510,047	21,362,167	1,147,880
Aggre. net from Jan. 1.	11,697,123	11,768,611	*71,488

*Decrease.

Canada Northern Power

Sept.:	1934 $	1933 $	Increase $
Gross	357,716	309,361	48,355
Oper. exp. .	127,236	89,995	37,241
Net earn. ..	230,480	219,366	11,114
9 mos. end. Sept. 30:			
Gross	3,051,273	2,700,326	350,947
Oper. exp. .	1,032,825	821,247	211,578
Net earn. ..	2,018,448	1,879,079	139,369

CANADIAN PACIFIC RAILWAY COMPANY

Convertible Fifteen-Year 4% Collateral Trust Bonds

Due July 2nd, 1949

Bonds may be converted into Common Shares of the Company at the rate of $25 per share (equal to 40 shares per $1000 bond) up to July 2nd, 1941.

Price: At the market, to yield about 4.57%

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Think Reorganization Wpg. Electric System Absolutely Essential

Whether City Buys or Does Not Buy, Committee Members Take View That Merger Into One Company Will Strengthen Position of All Security Holders

ENGLISH BONDHOLDERS PRESENT VIEWS

Views of Those Who Think That City Negotiations Should be Pushed Before Reorganization Stated and Committee Answers Given — Latter in Honor Bound to Protect Interests of Junior Securities

Reorganization plan of Winnipeg Electric Co. and all its subsidiaries has been devised by a sub-committee representing all the protective committees of bondholders and shareholders without reference to any offer which the city of Winnipeg may make for control.

Another committee (on which this sub-committee has representation) is conducting negotiations with the city; but the sub-committee has considered it its duty under the circumstances to work out a plan for bringing the whole wide-flung enterprise under the wings of one company whose securities will be exchanged on a basis soon to be outlined for all present securities outstanding in the hands of the public.

Can Operate or Deal

These securities of a new company are devised, it is said, to enable the new company to continue with revenues ample to take care of its current interest liabilities if that should prove necessary, or to deal with the city for turning over the whole system to it if an offer considered reasonable results from negotiations.

Some bondholders have registered their objection to any plan for reorganization as long as there is a chance to sell the system to the city on a more remunerative plan. The reply made by the devisers of the plan is that failure to reorganize would leave the company in a most vulnerable position. Two weeks ago this view of the committee was set forth in The Financial Post as being that "a break-up in the central control would result in three struggling power enterprises all offering power to any taker at costs which would not permit any return at all on the investment."

The city of Winnipeg, some point out, might look on such an outcome with some satisfaction as it could pick up one power enterprise after another under such conditions at bargain levels. The committee believes that its duty to the investors in Canada, the United Kingdom and the United States, who have put some fifty million dollars into creating this enterprise, is to secure adherence of all security holders in a compromise plan for the formation of a central company which will be strong either to continue or to deal on a reasonable basis with the city.

Favors City Deal

The following excerpts from a letter written by R. W. McLellan, Fredericton, N.B., show that the committee's plan will undergo keen scrutiny when it is at last released:

"As a bondholder I have kept closely in touch with the situation since the first default in July, 1932. There is the strong possibility, if not probability, of the sale of the entire undertaking to the city of Winnipeg, at a favorable price. The city owns a hydro-electric system which has been in intense competition with the Winnipeg Electric Company for several years, with the result that rates at which electricity is sold in Winnipeg are said, by competent authorities, to be the lowest on the continent. Therefore, the chances of the company being able to work out of its difficulties are, to say the least, uncertain, even if bondholders agree to what is generally understood to be the proposed plan of reorganization. Personally, I am quite confident that they will not do so.

"Why should they?

City Prepared to Deal

"The City has expressed, in no uncertain terms, in its letter of the 22nd May last to Premier Bracken, its willingness to buy the entire undertaking, and to do so on a liberal basis.

"Moreover, the city council has authorized a special committee, known as the Transportation committee, to negotiate with the company

City "Absolutely Honest"

"Therefore, as the matter is now definitely before the city, and provided negotiations are carried on in the immediate future, it should soon be determined whether an advantageous deal can be made. In the meantime why should bondholders agree to the proposed or any reorganization plan until an honest effort is made to exhaust all possibilities and particularly with the city.

"It is obvious that the citizens of Winnipeg have a strong incentive to acquire the assets of the companies, because (1) their hydro-electric system is yearly losing very substantial sums on operating account, and (2) it has been publicly stated, that the savings to be effected by merging the two systems will more than eliminate the losses of their present hydro system."

What About Shareholders?

One difficulty in the way of agreeing to this plea to delay reorganization until the city offer, if any, is made known, is that the sub-committee, appointed to represent all the protective committees in the formation of a plan, has a duty toward every group. The by-law of the city council asserts the willingness of the council to submit a by-law to the ratepayers for power to issue debentures sufficient to purchase all the properties and assets and to enter into an agreement to that end if the ratepayers approve "with the company and the bondholders." It states further that the carrying out of an agreement would depend on negotiating "a satisfactory purchase at a price satisfactory to the city council, to the ratepayers of the city of Winnipeg, and on terms satisfactory to the city."

Rightly or wrongly, it has been urged on the committee that this means the city may try to get the properties by offering Winnipeg debentures to bondholders alone on a purchase price which would eliminate junior security holders. To allow the city to buy on this basis it would be necessary for bondholders of issues in default to place the companies in bankruptcy in order to liquidate. If for some reason the city found itself unable then to proceed to sign an agreement, the companies operating under receivers or trustees would make the situation ruinous for themselves by competition for existing business at rates lower than those now obtaining.

Supposing City Backs Out

Under such circumstances, it is argued, the city utility would push its efforts to get business among power users with the argument that they should make the publicly-owned utility prosper in order to save taxation. The preferred and common stockholders who had been eliminated from the private companies, would be angry at the treatment accorded them and quite willing to listen to these arguments.

There are quite a number of small shareholders of these companies in Manitoba. Some of the small shareholders are quite large power users. The group engaged in effecting a reorganization feels that a junior security should be given these people so that in case of prosperity at some future time, they would have a chance of getting back their investment. This is necessary also to keep the good will toward the system intact.

Difficult to Liquidate

In any case, it will be difficult for bondholders to take the liquidation proceedings which would be necessary in order that it could hand the properties over to the city. Such proceedings would not only be expensive but difficult. At the last session of the Manitoba Legislature an act was passed which in effect prohibited an application for receivership except with the approval of the Public Utilities Commission. It is felt that there would be considerable difficulty in getting that approval. It is possible, of course, for the Northwestern Power Company to commence liquidation proceedings in Bankruptcy Court, which is a Dominion Court not subject to the Manitoba legislation, but it would be taking on a heavy load in looking after payment of interest on all senior obligations.

Reorganization Before Negotiation

The Bondholders' Committee is not entirely in an executive position in considering these matters. It could not make a deal with the city on any terms without securing the concurrence of the company. It feels therefore that under these circumstances there is no doubt but that some form of reorganization is a necessary preliminary step to taking advantage of any willingness on the part of the city to deal.

Protect Junior Securities

Until and unless an arrangement is effected with the city of Winnipeg, the view of the committee is understood to be that reorganization must proceed as though the enterprise were to be continued as a joint stock company. More than $50,000,000 has been poured into the creation of these enterprises and a good deal has come from the sale of preferred and common stock. Scanning of the shareholders' lists shows that hundreds of shareholders have one share each. Under the present reorganization plan, the committee is determined not to have these shareholders frozen out.

What Will Manitoba Do?

The Committee is unwilling to place its faith solely on negotiating a reasonable deal with the city and to stop the move toward reorganization because it is also uncertain of the attitude of the Manitoba government toward the whole thing.

English Bondholders Plan

The Financial Post understands that certain changes may be made in the reorganization plans referred to in its columns two weeks ago. Two representatives of English bondholders have been in Canada and have fully discussed the matter with the committee. The English bondholders, it is understood, took the stand that in London it would be impossible to secure concurrence in a plan by which the interest on bonds was cut down or waived without something to show for it. They could quite see that the company's income was not sufficient to maintain the face of the present coupons but they argued that the difference between the face of these coupons and the face of the coupons on the proposed bonds to be offered in exchange, should be represented by some form of warrant which will assure to the bondholder his full interest in a time when earnings rise. They wanted these warrants to have priority to the preferred and common stocks but were willing that they should not be imposed as a current liability on the company. That matter is now being thrashed out, and announcement has been delayed until a full concurrence if possible has been secured among the bondholders.

Mining Revenues of Company

Two weeks ago The Financial Post stated that Manitoba Power security holders would have to expect the offer of new securities that would take into account not only the present revenue but the losses that face it when deliveries to the city of Winnipeg cease in 1937. The power demands for pulp and paper mills were referred to. Further information about the part taken in mining development in Manitoba and the revenue gained from that effort is given in an address recently given in Winnipeg by M. C. Gilman, general sales manager of Manitoba Power Co.

A little more than eight years ago a group of mining men asked this company to carry power some 50 miles through the bush to the Central Manitoba Mine. It needed a great deal of courage to build a long and expensive transmission line into a virgin country where a single mining company was the only prospective customer, and that only required a small amount of power.

Service Below Cost

In considering the first six years Mr. Gilman frankly wondered how the directors came to authorize the large investment in transformers, switching and transmission line that had to be made in delivering the 60,000 volt power up to the mine. With some assistance from Central Manitoba Mines, this was done and the company began delivering about 500 horsepower to the Central Manitoba Mines in the fall of 1927. Except for a short period caused by unavoidable accidents, the service has been in continuous operation ever since.

Something of the risk attendant on supplying power in the mining area was shown in 1928 when the company contracted to deliver a block of power from the Central Manitoba Mine substation to the near-by Eldorado Gold Mines, which was then sinking its shaft and had built a two and a half mile circuit from its property to the end of the line. Power was supplied only for one year when the mine closed down and earnings from that outlet immediately ceased.

"The life of a mine may be of short duration," said Mr. Gilman, "and financial risks such as that make it hazardous for any power company to pioneer in making a power supply available in a mining field some distance from the source of power."

More Customers Now

For three years, Central Manitoba Mines was the company's only mining customer. In 1932 the San Antonio Gold Mines contracted to buy a minimum of 500 horsepower and to build their 60,000 volt circuit a distance of 18 miles.

In the early winter of 1934 Manitoba Power contracted to supply a minimum of 200 horsepower over a 5-mile circuit to the Gunnar Gold Mine to operate their motor driven compressor and hoist at their property.

On April 1, 1934, Manitoba Power commenced the delivery of power to Gabrielle Mines, at the end of the quarter mile circuit built to the San Antonio substation. In June it commenced delivering another block of power from the San Antonio substation to the Wingold Mines over a two and a half mile circuit.

At present contractors are clearing a right-of-way and constructing a two-mile, 60,000 volt circuit from the San Antonio transmission line into the Vanson Manitoba Gold Mines to deliver a minimum of 200 horsepower to operate the latter's compressor and hoist, preliminary to operating a 150-ton mill which their future plans contemplate.

Mr. Gilman expects present negotiations to result in several additional mining properties obtaining power before very many months elapse. Every mine that has started operation in the mining areas tributary to Manitoba Power circuit since the original circuit in the area was built, has contracted to buy power from the company instead of investing in power-producing equipment of its own.

Picture Slowly Improving

There are three maintaining fields in Manitoba: The fields tributary to the Winnipeg River comprising the Long Lake, Rice Lake and Beresford Lake areas served by Manitoba Power Company; the Flin Flon area where the 50,000 horsepower plant of the Churchill River Power Company is supplying power to the Flin Flon and Sherritt-Gordon Mines; and the God's Lake area still further north where the Kanuchuan Power Co. is being formed to supply power to the God's Lake Gold Mine.

Mr. Gilman said that from the point of view of profit to Manitoba Power Company, the picture had not been rosy. When the line was built into the mining areas it was thought proper to make it large enough to deliver a total of some 8,000 horsepower, thus anticipating future requirements. This pioneer circuit was expensive to build and the company had other heavy expenditures for step-up transformers, switching, patrol houses. During the first six years it carried power over its line varying in amounts from about 500 horsepower up to a maximum of only 700 horsepower. This fell far short of meeting the fixed charges and operating costs on the investment to carry power to the mine alone, without placing any value on the cost of developing the power at the power plant. It is only during the last two years since the delivery of power has increased considerably that the company can now visualize sufficient development in that area to justify the original expenditure.

Ontario Defaults Total $98,156,716

Default of principal and interest on its funded debt by the town of Midland in September brings the total debt of defaulting municipalities in Ontario up to $98,156,716 on the basis of the most complete figures available.

Midland had a funded debt last year of $1,322,677, so that its default increased the amount of long-term debt defaults to $80,552,412. In addition, the town's bank loans of $193,240 last year raises the total of defaulters' short term debt to $17,604,304.

ADVERTISING GAINS IN U.S. NEWSPAPERS

September Completes First Year With All Months Ahead

From Our Own Correspondent

MONTREAL.—Running 4 per cent ahead of September, 1933, newspaper advertising linage in the United States completed the first full year since 1929 in which every month was higher than that of the corresponding month a year earlier, according to a statement published in Editor and Publisher and based on the records of Media Records Inc.

September linage reported for the 52 cities, checked by Media Records, amounted to 96,377,922 lines, some eight and two-thirds millions more than in August. Last year the gain from August to September was only about six and a quarter million lines.

Display Linage Ahead

In the breakdown of the returns for September, 1934, it is shown that display advertising accounted for 78,441,896 lines, a gain of about 3,000,000 lines over the same month last year. Classified linage last month totalled 17,936,026, or around 650,000 lines more than in September, 1933.

Compared with the same month last year, returns for September, 1934, show gains in the following divisions of advertising: retail, departmental store. Decreases were reported for general, automotive and financial.

Canadian Airways Set Mark in August

From Our Own Correspondent

MONTREAL — Canadian Airways operating report for August 1934 shows that machines of the company have flown over 10,000,000 miles since inception of the company on January 1, 1927. Last August 1,957 hours were flown, bringing the total to date up to 114,292 hours. The mileage covered increased by 182,697 miles to 10,272,866 miles. Express and mail carried last August totalled 755,242 lbs., making a cumulative total to date of 16,160,248 lbs. Passengers carried to date number 95,591, up 2,648 from the number reported at the end of July.

Increased mining activity has played an important part in the company's operations. For the first eight months this year the company flew 1,114,416 miles on mining contracts and carried 3,658,694 lbs. of material. In all of the previous year the mileage flown was 1,165,434 and materials carried weighed 2,522,233 lbs.

Canadian Power & Paper Arrangement Authorized

From Our Own Correspondent

MONTREAL—Supplementary letters patent have been issued to Canadian Power and Paper Investments covering the compromise rearrangement made and approved by the shareholders on May 7, 1934, and subsequently amended with the assent of the directors by a resolution passed on September 5, 1934.

It will be recalled that the market value of assets held by this company declined to a point where loans with the banks and trust companies were greater than permitted under the terms of the trust deed securing the debenture issue. In order to straighten out affairs of the company a reorganization was effected whereby the debenture holders were given additional securities, preferred shareholders interest lessened and the common stock holders equity virtually wiped out.

B. C. Power Earnings Higher in September

From Our Own Correspondent

MONTREAL. — British Columbia Power Corp. reports net earnings last month totalling $336,521. This compares with $309,484 in September of last year, an increase of $27,037.

Gross income for September 1934 amounted to $1,037,073, operating expenses $700,552, leaving net earnings of $336,521. For the corresponding month last year gross revenues totalled $1,017,199 and operating expenses $707,715.

Cumulative returns for the first quarter of the current fiscal year ended September 30, 1934, show gross revenue at $3,109,473, operating expenses $2,142,358 and net earnings $967,115. For the corresponding period of 1933, gross income totalled $3,034,054, operating expenses $2,152,713 and net earnings $881,341.

Obituary

J. C. Collinson, K.C., legislative counsel for the government of Manitoba, died recently at Winnipeg.

Robert T. McLean, president of R. G. McLean Ltd., Toronto, died recently at Toronto.

Reginald A. Pridham, treasurer of Western Canada Flour Mills, Ltd., died in Toronto on Oct. 22. Born in Goderich in 1892, Mr. Pridham had been with the company since 1909.

SOUTHERN PINE NEWSPRINT MILL AGAIN TO FORE

Publishers' Association Tells Members to Withhold Contracts

From Our Own Correspondent

MONTREAL—Troublous affairs of the newsprint industry have brought the Southern slash pine newsprint mill promotion to the fore again. The split in the ranks of the Canadian newsprint producers over the matter of minimum prices in 1935 has greatly disturbed the market, and made the question of supplies active again.

The newsprint manufacture committee of the Southern Newspaper Publishers Association this week suggested to the S.N.P.A. members that they decline to sign any newsprint contracts covering any period beyond December 31, 1935.

The committee, headed by E. K. Gaylord, of Oklahoma City, was authorized at the S.N.P.A. convention last May to promote the erection and operation of a newsprint mill in the South.

"The committee," the report said, "has investigated many phases of the situation and it has made considerable and satisfactory progress toward the desired end.

"In view of the status of the proposed mill at this time, the committee suggests to the membership that members would do well to decline to sign any newsprint contracts, either in the form of renewals, extensions or new ones, covering any period beyond December 31, 1935.

"Within the next few weeks, the committee is confident that it will be able to give you definite, detailed information covering the subject."

Dominion Coal Co. Output Up Sharply

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. reports an output during the first nine months of 1934 amounting to 2,724,913 tons. This is in contrast with 1,740,452 tons in the first nine months of last year and with 2,598,200 tons for all of 1933.

With heavy shipments in prospect for the last quarter, expectations are that shipments for 1934 will be well in excess of 3,000,000 tons. This is the best showing made by the company in some time.

Fewer Fur Skins Treated Last Year

There were 7,321,000 fur skins treated in Canada in 1933, compared with 7,685,000 in 1932 and 7,034,000 in 1931. The supply of muskrat skins at 2,818,000 was much in excess of the two previous years, but the number of rabbit skins at 1,664,000 was about one million smaller than in 1932.

There were fewer squirrel skins at 640,000 but the supply of mole at 569,000 was much larger. The skins of domestic cats treated last year were 25,000 but there were 91,000 in 1932 and 89,000 in 1931.

On November 1st

Holders of Victory Bonds who did not convert their Bonds into the new 1934 Refunding Loan will receive their principal on November 1st.

To assist in the problem of reinvestment of these funds, we have prepared a special list of Canadian Government and Corporation Bonds at prices to yield from 3.50% to 7.50%. This list affords a selection suitable to the requirements of every investor.

Write for Special Bond List.

Wood, Gundy & Company Limited

Toronto | 36 King Street West | Vancouver
Montreal | Toronto | New York
Winnipeg | Phone: Elgin 4321 | London, Eng.

TRADE MARK

Canadian Industrial Alcohol Company, Limited

manufacturers of

Maple Leaf Industrial Alcohol . Ethyl Alcohol Cologne Spirits

Denatured Alcohol and Maple Leaf Anti-Freeze.

Also operating a Chemical Division Manufacturing

Wood Alcohol, Acetate of Lime, Charcoal

Wood Tars, Wood Oils, and other Chemicals

Controlling and Operating

Consolidated Distilleries Limited

Wiser's Distillery Limited

Robert McNish & Co., Limited

Glasgow, Scotland

Distillers and Bottlers in Bond since 1859

Canadian and American Ryes and Bourbons, London Dry Gins, Domestic and Imported Scotches,

also

J. M. Douglas & Co., Limited

Importers of Wines and Spirits.

TRADE MARK

MONTREAL CORBYVILLE TORONTO WINNIPEG VANCOUVER

WHEN YOU'RE UP TO YOUR EARS IN WORK . . . AND YOU HAVEN'T WRITTEN HOME FOR DAYS . . . . . . AND THEY'LL BE WORRYING

Call them on Long Distance . . . it's one sure way to make everything better

If you're pressed for time or are lonesome or have some good news to tell, just pick up your telephone. Long Distance takes you anywhere, easily, quickly, inexpensively—100 miles or so for 30c. See rates in the front of your directory.

News of Investment Markets

SEES TROUBLES IN INTEREST CUT ON CIVIC DEBTS

President B. C. Bond Men Discusses Default and Repudiation

"If there is to be any relief to the property owners of Vancouver from scaling down of bond interest, it must come from the standpoint of inability to pay the present rate and a willingness to do the best we can," said G. Lyall Fraser, president of the B. C. Bond Dealers Association, in a recent address to members of the Vancouver Real Estate Exchange. "There is a vast difference between default and repudiation," stated Mr. Fraser. "Many debtors who are the very essence of honor and responsibility, have found themselves in the unfortunate position of being unable to meet all their obligations promptly in full and have been forced to arrange a compromise with their creditors," he explained.

Mr. Fraser contended that the only manner in which a city like Vancouver could reduce the interest charges on its debt would be through a national policy inaugurated by the Dominion Government.

Comments on Debt

Mr. Fraser commented on municipal debt, in part, as follows:

"Let us assume that we have satisfied our creditors that our position is such that it will be advisable from the standpoint of restoring us to solvency for the bondholders to accept a cut in bond interest. At this point if the recognized procedure in such cases is followed it will be necessary for us to submit to a regulatory interest in our cities' affairs by our creditors. In other words they will probably insist on having some say in regard to what expenditures are to be considered necessary and what are not, also as to whether or not sufficient vigorous measures are being taken in regard to the collection of revenues.

"It is true that there are many serious minded citizens who would welcome the idea of an administration of the nature suggested, however, it would seem a pity if the only means whereby such a change can be inaugurated is through default and the resulting loss of credit with the stigma which attaches to such a process.

What Edmonton Did

"When the city of Edmonton found itself in a very grave financial condition just after the war it did not deem it necessary to default on its bonds before adopting a system of city managership under which the solvency of the city was quickly restored in spite of the fact that it was necessary to borrow money in 1921 by issuing 7 per cent bonds slightly below par. Incidentally the interest has been promptly paid on those bonds since that date with no suggestion so far as I know of a demand that the bondholders accept a lesser rate.

Sacrificing Credit

"In order to arrange a cut in bond interest on city of Vancouver's outstanding bonds without the movement starting with the Dominion Government it will be necessary to default or to repudiate the terms of the bonds. Inability to pay may at times be partially excused but the disposition not to pay will not, and never can be, excused. Also the credit and reputation for honorable observance of its obligations which it has taken our city fathers years to establish on a sound basis and which is regarded as a priceless asset by individuals, corporations and government the world over, will be shattered for years to come.

Montreal and Toronto

"We all know that Vancouver is having a difficult time but so also is the city of Montreal, which I would say is in a very much worse financial position and still it can borrow at 4.80 per cent as compared to certain Vancouver bonds being now offered to yield 6.80 per cent, with no takers. The principal difference in the credit rating is that there has been no suggestion by either the Government of Quebec or the city of Montreal that any compromise with the bondholders will be attempted.

"Toronto can borrow money today at less than 4 per cent because of its ability to manage its own affairs successfully, so that actually the wages of money today is less than it has been for over twenty years, for borrowers with good credit ratings.

Dominion's Job

"My idea of any movement to scale down interest rates is that it cannot originate with the cities and the municipalities of the country, without it being effected through default or repudiation. It seems obvious to me that such a movement would have to start with the Dominion Government, as in Australia.

"One of the very necessary features of such an operation is that the borrowing country must undertake to balance its budget and to ensure to the bondholders the solvency of the obligor. No doubt one of the deterring factors, so far as such an operation for Canada is concerned, has been the inability of the Government to definitely undertake to balance its budget and there can be no convincing grounds for a patriotic appeal to the bondholders if Government expenditures are not to be kept within the annual revenue."

Investment Notes

Significant Investors' Index Numbers

1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
August	100.7	9.9	73.2	158.0	73.1	125.5	91.3	120.1	51.2	85.9
September	98.8	9.6	72.6	160.2	71.9	123.4	93.8	118.8	50.1	85 7
Weekly Figures, 1934:										
October 4	102.8	9.1	72.0	162.4	71.1	128.2	108.3	121.5	50.2	91.7
October 11	106.0	9.2	72.2	164.3	71.9	129.4	110.6	122.6	49.6	92.1
October 18	108.8	9.6	71.2	171.4	74.9	132.2	111.5	125.6	48.9	93.1

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 23	100.34	117.03	82.42
Oct. 22	100.93	120.91	83.53
Oct. 20	100.17	121.75	84.40
Oct. 19	99.97	121.86	84.86
Oct. 18	100.67	121.36	84.81
Oct. 17	101.02	123.67	86.34
Month ago	95.42	128.64	86.32
High, 1934	120.12	135.98	116.57
Low, 1934	86.85	100.90	82.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 23	62.0	57.0	58.7
Oct. 22	62.4	54.4	59.1
Oct. 20	62.4	57.8	59.3
Oct. 19	62.3	57.9	59.4
Oct. 18	62.4	57.8	59.3
Oct. 17	62.3	57.6	59.2
Month ago	61.8	54.1	58.7
High, 1934	72.0	65.2	67.4
Low, 1934	58.0	50.1	53.3

Beating the Bootlegger

REGULATIONS controlling the liquor traffic in the United States are changing so fast that it is difficult for United States and Canadian distillers to keep pace. However, they welcome most of these new regulations as they make it more difficult for bootleggers to foist inferior whisky under forged labels on the public at prices lower than the market. Two most efficacious regulations are those that require the name of the maker and the brand to be blown into the bottle, and all whisky bottles to be broken after use. This does not absolutely prevent collection of old bottles to sell to bootleggers but it makes it illegal and more expensive. But these two things together make it difficult for bootleggers to duplicate known containers nearly as cheaply as when they simply bought in the old bottles.

There are no statistics to show how well the bootlegger is maintaining his business. A few months ago he was doing a roaring business. Some of the Canadian distillers claim that he is progressively finding it more difficult to do business at a profit. They cannot prove this by statistics because there are no statistics on underground traffic of this kind. Demand for their own products, they say, is showing improvement.

The changes in price in Canada, it is stated, are not really changes in price that will affect to any great degree the receipts of the distillery companies. It is simply that these companies have provided lower type whisky at lower prices. prices.

Brazilian Factors Analyzed

BRAZILIAN Traction Light & Power Co., as seen by Angus & Macdonald, members of Toronto Stock Exchange, in a bulletin analyzing stock possibilities, has important possibilities for "a further increased demand for power, light, gas and telephone and transportation service" in the territory it serves in Brazil. They think that under the same efficient management "the company should continue its satisfactory progress."

The bulletin further states that the decline in earnings is due almost entirely to fluctuations in the exchange rate. "With the return of more normal conditions and an improvement in exchange rates, dollar earnings as reported in its statement should again reflect the real earning power of the company."

Angus & Macdonald also incline to the opinion that dividends may be resumed at no distant date. No reference is made to the bearing on this possibility of the Vargas decree insisting that rates be levied in Brazilian paper milreis and the necessity of the company obtaining rates on the new basis that will allow profitable operation. The Financial Post covered that phase of the question in its last issue. In all other respects this is an interesting analysis.

Want Beer Flow Curbed

PRICE of Brewing Corp. of Canada and Canada Bud stock did not react materially to Toronto City Council's request by a vote of 14 to 7 to Ontario Liquor Commissioner Odette to reduce number of places authorized to sell beer in Toronto, to shorten hours of sale and to refuse permits to other than "standard hotels." Similar demands have occurred from unofficial sources elsewhere in the province but the market evidently regards these as incidental to the new methods of selling. It also relies on Commissioner Odette's statements that evils will be corrected as soon as recognized.

It has been apparent from the outset that abuse of the privileges of sale through hotels and clubs would produce a strong public reaction against the new laws. Brewery company executives and proprietors of "standard" hotels are therefore anxious that beer drinking occur under orderly conditions. There have been many switches of licenses already and it will soon be apparent to all that loss of license will follow disorders in beer parlors. On the other hand it is urged that shorter hours may bring back the blind pig.

Breweries find they must follow up their beer and ale sales and instruct the new hotel proprietors and bartenders as to how to take care of it and vend it. They report that some vendors have given good beer a bad name because they did not give it proper care. All these things have to smooth themselves out before breweries hit their stride and therefore know what their net earnings will be. Sales are larger but so are expenses of distribution in some cases. The next three months will be more important as indicators than the last three have been.

Royalite Prospects Improve

ROYALITE OIL CO. stock at 14 is well above the low point of 12½ this year but it is considerably below the high point of 20 this year. Within this range the stock draws considerable attention in view of the fact that in 1929 it sold as high as 200. That high point was absurd, but some investors think that the present low price may prove too pessimistic. Nevertheless selling is taking it lower for no present discoverable reason, especially as latest dividend is 75 instead of 50 cents a share.

The conservation measures in Turner Valley discouraged the stock market with regard to most of the oil stocks but Royalite Oil, a subsidiary of Imperial Oil, has been taking over many companies and is now in a better position than at any time for mining the resources of the valley in a reasonable manner. The curse of the offset well is now abated.

Royalite No. 4, which introduced the Turner Valley to the world in most spectacular fashion and was considered as likely to have long life, petered out after five years and this made many feel that Royalite would fall with the Valley.

The new wells brought in in the south of the valley and the success of the absorption plant in increasing the extraction of naphtha, however, have brightened the picture. It is also being found that Royalite will be able to make use of wells of former companies, which under other less expert auspices would have been valueless.

Estimates are dangerous with regard to life of gas supplies, but it is the expectation of those who know most about the Valley that Royalite may have 20 years of profitable life based on the valley alone. There is nothing else in sight as yet and the valley may have a limit not far south of new wells coming in. Even so it is likely that naphtha content of gas will keep up to the end and that new industrial products may be developed from the gas as business becomes more active.

The company's working capital is strong, and revenue have improved in last two years.

Canadian Celanese

CANADIAN Celanese preferred stock has come in for attention on the Montreal Stock Exchange in the past few weeks. The revived interest has been due to a current story that the management will shortly put before the preferred shareholders a new arrangement regarding the clearing up of arrears of dividends. It will be recalled that a short time back the company proposed that shareholders should take one-half a share of common stock and $1.62 in cash in settlement for $27.75 arrears of dividends on each share of preferred. This offer was regarded as being wholly inadequate and subsequently the plan was withdrawn by the management. Two plans are said to be under consideration at the moment, one of which provides for the issuance of certificates of indebtedness covering the present arrears of $24 a share. These certificates would carry a sinking fund and a rate of interest yet to be determined. Particulars of the other plan are unknown.

Dominion Coal

DOMINION Coal preferred stock has registered a steady advance on the Montreal Stock Exchange for the past several weeks, and is currently selling close to 110. It was not so long ago that this stock could be purchased for around $10 a share. The improvement in the market value is directly due to the marked gain in the earning power of the company and the prospect of an arrangement being made with the preferred shareholders as regards accumulated arrears of dividends amounting to over $70 a share. Last year the company earned over $7.30 a share on the preferred stock and as sales this year are expected to show an increase of about one-third, the profit per share on the preferred may run as high as $20 or better. An agreement is said to have been reached between the company and the shareholders, whereby the latter's $100 7 per cent stock will be exchanged for 8 new shares carrying a dividend of $1.50 each. While recent bidding for the stock would indicate that the deal will be announced shortly, expectations are that nothing will be done for several weeks, or until such time as labor and other matters have been settled.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brew.	§5%	1942	Nov. 1	105
Northern Electric	5%	1939	Dec. 1	105
Riordon Pulp‡	6%	1942	Dec. 31	105
Metropolitan Bldg.*	7%	1944	Jan. 15	103½
Rio de Janeiro Trams. 1st mtge.	5%	1935	Jan. 1	...

§ Purchase of bonds for sinking fund. ‡ $74,600. * 27,700.

Bond Tenders

Nov. 1—New Glasgow, N.S., $30,000 20-year debentures, carrying 4½ per cent coupon. M. Wadden, clerk and treas.

Nov. 14, County of Haldimand—$35,000, 4 or 4½ per cent, 10-year bonds. H. Arrell, county clerk, Caledonia.

12 noon, Oct. 30, Simcoe—$60,000, 4½ per cent, 20-installment debentures. W. D. Stalker.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Louiseville, Que.	Oct. 3	Gairdner & Co.	5%	15-yr.	$60,000	99.486	5.05%

To Aid Bondholders Ontario Municipalities By Strict Supervision

Debt Adjustments for Defaulting Municipalities Expected Soon

HIRE NEW MEN

Legislation Planned to Prevent Recurrence of Defaults; Aim For More Efficient Civic Management

Major changes will be made in provincial supervision of municipal administration in Ontario under Hon. David A. Croll's new Department of Municipal Affairs, The Financial Post is informed. The anticipated changes will be designed to protect the future credit of municipalities and the investments of bondholders, it is understood.

The province will also take under consideration in the comparatively near future suggestions for debt adjustments for defaulting municipalities, it is understood.

Nature of Adjustments

In some cases it is hoped that defaulters will be restored to a position where they will be able to make interest and principal payments in full. In others, postponements of principal will be arranged. And provincial authorities take the view that reduction of rates of interest and even of the principal amount of bonds will have to be made in certain municipal defaults.

While the municipal department is still in process of organization, it is understood that it will probably be ready with new legislation pertaining to municipal affairs when the next session opens.

The aim of the department in this legislation, it is understood, will be to make municipal administration in Ontario more efficient. "Municipalities will not be allowed to spend in the slipshod way they have in the past," one spokesman told The Post.

Probable System

The Saskatchewan Local Government Board is cited authoritatively as a type of municipal administration founded on British principles, involving rigid control of municipal finances, and suitable to Ontario. It is also pointed out that most of the provinces have better systems of municipal administration than Ontario, and better means of preventing spendthrift municipal policies. In this connection, it is noteworthy that Ontario's municipal defaults are the worst in Canada and that three large defaults have occurred since the new Ontario Government was elected. While there is conceded to be merit in appointment of supervisors for defaulting municipalities, it is claimed that this control comes 10 or 20 years too late; after the damage to a municipality's credit and its bondholders has been done.

It is understood that the new municipal department will try to readjust the present serious municipal situation as best it can and will endeavor to prevent future calamities of the same kind.

May Standardize Accounts

One of the means expected to be taken to prevent profligate municipal spending is standardized municipal accounting. It is also anticipated that technical engineering advice may ultimately be given to municipalities to prevent some of the serious errors that have occurred in the past. This would be in line with recommendations, made by bondholders' representatives early this year.

An instance of what may be done is seen in the provincial relief policy. Wherever possible, the new Department of Municipal Affairs has been giving less authority to local authorities in relief administration. The department is understood to recognize the grave need for a definite relief policy. Cash relief is to be introduced on as uniform a basis as possible. The "work ticket" is likely to be applied to relief. And the government believes it can save money by this machinery.

Appoint Experts

H. L. Cummings, formerly a member of the Ontario Municipal Board, has been appointed Deputy Minister of Municipal Affairs, and has been given broad authority as non-political chief of the new department. J. A. B. Gray, formerly reeve of York township, Ontario., entered the department last week. R. J. Moore, at present secretary for boards of supervisors for defaulting border cities municipalities will be taken into the department shortly, The Financial Post is informed. Thus, a group of experienced municipal administrators is being assembled in the department. Although the burea is hardly ready to function yet, it is expected that it will eventually become a large and important branch of the provincial government.

Record Blackens

Meanwhile the already dark default record of Ontario is becoming black. The government had only been in office 13 days, to July 1, when Weston and Fort Erie defaulted principal of their debenture debts of $1,031,434 and $1,573,276 respectively. The latest default, in September, is that of the town of Midland, which had a funded debt at the end of last year of $1,322,677. In this case the default is of both principal and interest.

One of the outstanding shortcomings of the Ontario municipal situation is the lack of official information. This was evident in the Midland default in which case bondholders had no advance notice that default was imminent. Bondholders hope some plan for regular issuance of official notices, such as Quebec has, may be adopted by Ontario.

Requested Reports

While the provincial department has not formulated complete plans, and while Mr. Croll is averse to making a public pronouncement on what his policies will be, letters were sent to all boards of supervisors for defaulting municipalities last August, requesting reports on the defaulters' finances by the end of the year and recommendations of the supervisors for debt adjustments.

Mutual Life of Can. Adjusts Dividend Scale

For the year 1935, the Mutual Life Assurance Co. of Canada is reducing the rate of interest on policy proceeds left with the company and on accumulating dividends from 4¾ per cent to 4¼ per cent, The Financial Post learns.

The company will also bring into effect on January 1, a new dividend scale on which the lower rate of interest at present obtainable on new investments will be reflected. The result will be a somewhat lower dividend scale than was effective in 1933.

No change is at present contemplated in the scales of premiums in effect for either participating or non-participating policies, the company states.

PRICES OF BONDS ADVANCE STEADILY ON BROAD RANGE

Western Provincial and Corporation Bonds Share Improvement

Canadian bond prices moved steadily upward in the week ended Oct. 23. Gains were general among gilt-edged and western government issues. Losses among corporation issues were notable for their scarcity.

The upward movement in the gilt-edged bonds followed the announcement of reduction of the rate on savings deposits to two per cent, and further indications of the energetic programme of the Dominion Government for lowering interest rates generally.

Gains in gilt-edged bonds are shown below:

Average Yield and Price on Seven High-Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Oct. 23	3.784	110.57	Oct. 24	4.420	103.66
Oct. 22	3.791	110.48	Oct. 23	4.419	103.68
Oct. 20	3.803	110.39	Oct. 21	4.411	103.77
Oct. 19	3.814	110.23	Oct. 20	4.411	103.77
Oct. 18	3.830	110.14	Oct. 19	4.417	103.70
Oct. 17	3.829	110.14	Oct. 18	4.413	103.75
Oct. 16	3.834	110.04	Oct. 17	4.420	103.71
Oct. 1	3.827	110.17	Oct. 2	4.460	103.32

Some Sharp Advances

Western provincial bonds enjoyed half-point advances on the bid side of the market in most cases. Some loans gained a full point.

Among corporation bonds, five point advances were scored by Abitibi 5's and Beauharnois Power Corp. 5's at 31 and 56 respectively. C. P. R. issues continued in favor with gains ranging from one to 2½ points. Public utility, construction, and paper bonds were firm. Fractional losses were recorded by General Steel Wares 6's and International Hydro 6's. The latter issue is suffering from the depression of utilities in the United States due to increased costs and taxation.

Issue Expected

Tentative offering date for $6,000,000 of Maclaren-Quebec Power 5½'s of 1961 has been set for Oct. 30. The issue has been expected for months, and the news failed to surprise the bond market.

Completion of the Dominion's financing for this year has brought a few small municipal borrowers into the market. Good borrowers, however, are scarce, for which reason further strong demand for existing loans is expected by dealers.

TRUSTEE CAN SELL QUEEN'S PK. PLAZA

Must Give 3 Days Notice; Bonds May Get Nothing

London & Western Trusts Co., trustee for bondholders, and receiver and manager for Queen's Park Plaza, unfinished Toronto apartment-hotel, was granted court permission on Oct. 19 to sell the property. Three days notice, however must be given to bondholders in the event of a sale being arranged.

Queen's Park Plaza was sold early this year for arrears of taxes. The trustee and bondholders also have claims against the property, and had one year from the date of the tax sale in which to arrange a sale for a higher price.

Bondholders were successful in obtaining a delay in the granting of permission to the trustee to make a sale while they sought to raise funds to get title to the property for themselves. But the bondholders were unable to raise the $100,000 necessary to pay off the various charges against the property. Hence the present authority to make a sale has been given to the London & Western Trusts Co.

There are $875,000 of first mortgage bonds and $525,000 of general mortgage bonds outstanding against the property. If the trustee arranges a sale to clear taxes and its own expenses, it is anticipated that practically nothing will remain for the holders of these bonds.

Maritime Telephone Adds to Installations

From Our Own Correspondent

MONTREAL. — Further gains in station installations are reported by Maritime Telegraph and Telephone Co., operating in Nova Scotia and, through the Island Telephone Co., in Prince Edward Island. At the end of September, Maritime Telephone had installed 38,160 stations, compared with 37,964 stations at the end of the previous month, a gain of 196. The Island Telephone Co. reported a loss of 19 stations during the month, having now installed 5,454.

The volume of long distance traffic handled by Maritime Telephone in September was greater than for any other corresponding month except those of the four peak years 1928 to 1931. During last month there were 120,082 completed calls, for a percentage completion of 93.8.

TOWN OF MIDLAND INTEREST DEFAULT SHOCKS INVESTORS

Sept. Payments Passed; Action Rests With County, Province

Town of Midland, Ont., defaulted interest and principal of debenture debt on Sept. 1 and Sept. 15. The amount of principal defaulted Sept. 1 is understood to be some $8,000 and on Sept 15 approximately $17,000.

Some of the bonds on which default has occurred are guaranteed by the county of Simcoe. It is understood that the county has not implemented its guarantee but may be called upon to do so.

One of the features of the Midland situation was the recent prosecution of town officials for relief frauds against the Province of Ontario.

Bondholders Not Warned

Bondholders were given no warning of the impending default and only learned about it when their interest coupons were returned by banks. Because of uncertainty as to the precise plans of the Ontario government for the administration of affairs of defaulting municipalities, just what is to be done about the Midland default is indefinite. It is believed that the Midland case may furnish an example of what the new government may be expected to do.

Midland had a population of 6,925 and a gross funded debt of $1,332,677 at December 31, 1933. In addition there was a total short term debt of $193,240. Of this, $15,000 was on capital account, $72,765 county rates, the remainder being bank indebtedness.

Budget figures for 1933 are not available, but the town had a large deficit in 1932. Total tax arrears at Dec. 31, 1933, amounted to $13.63 per capita, and the tax levy was $41.19 per capita.

Financial Needs

The financial condition of the town is considered better than for many of the large number of defaulting Ontario municipalities. It is felt, however, that the recently disclosed relief frauds and the town's default indicates a need for early assistance in administration of finances.

Financial statistics follow:

MIDLAND FINANCIAL STATISTICS
(Year Ended Dec. 31, 1933)

	$
Cash revenue (1932)	241,357
Cash expenditure (1932)	303,144
Assessed value for taxation	5,956,788
Exemptions not incl. above	1,693,300
Tax rate, ... 1933 46 mills; 1932, 43 mills	
Amount of last year's tax levy	285,236
Amount of last year's tax levy uncollected	42,711
Total accumulated tax arrears at end of last year, including above	94,392
Tax sale lands	21,360
Liabilities	
Total debenture debt	1,332,677
Total sinking fund	nil
Bank loans	*193,240

* Including $72,765 for county rates.

Debenture Debt
(December 31, 1933)

	Debentures Outstanding
Public utilities	$ 193,946
Local improvements	689,979
General	277,670
School	171,082
Total	$1,332,677

Public Utilities †Net Profits
(Year Ended Dec. 31, 1933)

Waterworks	$2,624
Electric light and power	*6,455

* Deficit.
† After deducting operating expenses and interest and sinking fund charges.

NATIONAL TRUST CO. SUING E. W. BACKUS

Seeks Declaration That Great Lakes Owner of Affiliated Properties

National Trust Co. through the Supreme Court of Ontario, is suing E. W. Backus and several allied timber interests for declarations in favor of alleged interest of the plaintiff in affiliated companies of Great Lake Paper. Against Mr. Backus, the trust company seeks a declaration that Great Lakes Paper Company is the owner, subject to the deed of trust and mortgage in favor of the plaintiff, of the undivided half-interest in the Stewart Kashabowie license and other property appertaining thereto and 250 shares in the Superior Oil Co., and all the 560 shares in capital stock of the Pigeon Co. It is claimed that the plaintiff as receiver of the assets of the Great Lakes Co., is entitled to possession of the half-interest in the Pigeon and Superior companies.

An injunction ordering E. W. Backus to deliver up to plaintiffs the necessary certificates is asked. In addition a receivership is asked for the half-interest in the Stewart Kashabowie license. E. W. Backus denies knowledge of the transaction alleged in plaintiff's statement of claim save as to Pigeon timber stock and Stewart Kashabowie license.

Chevrolet Adds To Sales Lead During Sept.

A heavy slump in sales of passenger cars in eastern Canada is noted in September from an analysis made by The Financial Post of figures compiled by Might's Directories and published in Canadian Automotive Trade. Total sales in this area for the month were 2,707 as compared with 2,439 a year ago, a gain of 11 per cent compared with gains averaging 45 per cent which have been recorded in earlier months this year.

Chevrolet led in sales for the month, replacing Ford, the leader in August. There was little change in the ranking of other leading makes. Best gains over last year among the leading makes were made by Ford, Chevrolet, Oldsmobile, Studebaker and Hudson.

Sales Gain 45 p.c.

Sales for the year to date have totalled 42,913 in eastern Canada as compared with 29,458 in the same period a year ago, a gain of 45 per cent. Over 69 per cent of total sales were made in Ontario and 21 per cent in Quebec.

Sales of leading makes in September are shown in the following table with comparisons with 1933.

Sales of Leading Makes
(In Eastern Canada)

	September 1934	September 1933	Nine Mos. 1934	Nine Mos. 1933
Chevrolet	747	626	11,450	8,623
Ford	672	570	10,231	6,054
Plymouth	289	281	4,755	2,711
Dodge	232	263	4,632	3,074
Oldsmobile	149	62	2,178	655
Buick	126	111	1,739	1,415
Chrysler	93	81	1,314	916
Pontiac	91	150	1,707	2,066
Terraplane	81	90	1,399	905
Studebaker	46	10	790	619
Hudson	44	2	830	101

Sales by Provinces

	September 1934	September 1933	Nine Mos. 1934	Nine Mos. 1933
Ont.	1,812	1,795	29,469	20,718
Que.	615	476	9,135	6,261
N. B.	92	50	1,392	734
N. S.	170	109	2,643	1,586
P. E. I.	18	9	274	159
	2,707	2,439	42,913	29,458

CANADA BISCUIT WILL SOON CALL BOND MEETINGS

Reorganization Scheme Should be Prepared Before Year-end

A new and final plan for reorganization of Canada Biscuit Co. will be submitted to the company's first mortgage bondholders for approval before the end of this year, if the hopes of the controlling Montreal group headed by Nathan Cummings are realized.

Work on the plan of reorganization will start shortly and should be completed in November, whereupon the adjourned meetings of bondholders will be reconvened, according to an official release emanating from the company.

Reorganization Deferred

The company's capital was reorganized in 1932, but failure to meet first mortgage interest on May 15, 1934, led to new reorganization proposals. These were to have been considered at bondholders' meetings on June 5, which were adjourned to Sept. 24. No action was taken on the proposals on the latter date because of acquisition of control by the Cummings group.

Nathan Cummings, the new controlling director, has made a survey of the company's plants at Moncton, London, Montreal, Winnipeg and Edmonton, and of branches at Saint John, Ottawa, Toronto, Saskatoon and Calgary. The inspections are understood to have brought out information permitting closer co-ordination of the operating units, new economy and more intensive production and selling effort. Clarkson, McDonald & Currie, auditors, are bringing their work to an end, budgeting the business, primarily in relation to a proper burden of fixed charges that will provide a workable basis for the company.

No Statements Issued

It is hoped that when the company is reorganized it will be able to carry on without recourse to new financing. The first mortgage bondholders have never been placed in an informed position regarding the company's finances because balance sheets and earnings statements have not been issued since incorporation in 1926. Bondholders hope that the findings of the auditors will be available so that they will be able to weigh the anticipated reorganization proposals intelligently.

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Read Frederick Edwards' interview with Joe O'Brien, the famous referee in

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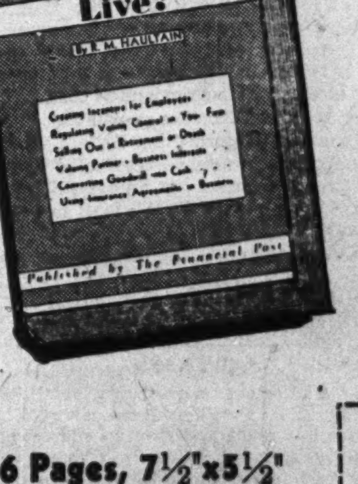

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TORONTO, OCTOBER 27, 1934

JUDGE FULLERTON'S VIEWS ON RAILWAY BURDEN

THE Montreal Gazette criticizes Judge Fullerton for opposing amalgamation of the railway systems and questions the propriety of his having anything to say on the subject. Says the Gazette:

"If Mr. Fullerton is to be regarded as the mouthpiece of the government in regard to matters of policy which lie well without the field of administration, then the responsibilities of the C. N. R. trustees have been misunderstood by the public."

It is not for Judge Fullerton to say whether or not the railways will be amalgamated, but he should be accorded the same freedom to discuss the subject publicly as is accorded to the chairman of the privately owned railroad. Of course, it is an anomaly for him to speak on a matter of policy when Parliament really determines the policy of the line, but that is an anomaly that can better be removed by abolishing public ownership of the railroad than by muzzling the chairman.

But if the chairman occupies a position not without anomaly he should be particularly careful to avoid any suggestion of the political type of argument in his remarks. For instance, was it quite in character with his position, in discussing the possible abandonment of railway lines under a system of co-operation between the railways, for him to ask his audience:

"What would you say, for instance, if we were to abandon the line to Lunenberg?"

Lines were constructed, communities were built and many people were dependent on the road, he emphasized. Whole villages were affected by it and abandonment was impossible.

Those who have proposed that money be saved by abandoning service on parallel tracks where the railways give costly duplicated service to a very small total volume of business have never had in mind wiping out branch lines that are themselves the mainstay of any communities. The line from Halifax to Lunenberg is not a duplicate line and need not be disturbed in any co-ordination or amalgamation programme.

Judge Fullerton is also reported to have said:

"If the railways wished to proceed ruthlessly they could of course cut down expenses but it would be by dismissing men, reducing services, abandoning lines and putting men out of work."

There is nothing more ruthless in Canada today than the extortion of $100,000,000 a year from the farmers, the workmen, the investors of Canada, to pay the losses of public ownership in railway operation. There is the hard fact that Canadians must face, even cold-bloodedly. Our railway losses are paid by the taxpayers; they are added to our costs of production. They weaken our power to compete in world markets. That burden is at the root of most of our financial troubles; it is one of the main reasons why thousands are out of work in Canada.

If we can get rid of our railway deficits we can find employment for an army of men and women.

If a few men lose their jobs it is only that they and many of their fellows may get bigger and better jobs that will be permanent because they would be created by sound economics.

THE WAY TO GET HOMES BUILT NO STATE SCHEMES NEEDED

THE British government will present to Parliament at the coming session a full-dress scheme for abolishing overcrowding in housing. Part of the scheme is to finance building of new homes by local authorities.

Ontario's lieutenant-governor has been interesting himself in the question of housing. A committee that surveyed housing problems under his direction recommended federal and provincial aid to municipal home-building schemes.

Most public housing schemes that have been tried in Canada have been financially unsuccessful. Even the large-scale British schemes are beginning to reveal defects.

There is a rôle for the state to fulfill in bettering housing conditions. But it is not to go into the business of building and selling or renting homes.

Municipal authorities, under provincial direction, may properly be expected to condemn unsanitary and unhealthy houses and enjoin their use as human habitations.

Municipalities may properly make another contribution in the form of economical administration that will reduce the burden of taxation and thus attract capital for investment in new homes.

The provinces can help by ending mortgage moratoria. If these moratoria can be abolished, there will be ample capital available for building at low rates, even as low as 5½ per cent.

The suggestion of Hon. Arthur W. Roebuck, attorney-general of Ontario, that a limited tax exemption might be granted on new homes, and the similar suggestion of a Toronto organization known as the Re-employment Association, are interesting. Such a plan would stimulate new building but it should be administered in a manner that would not reduce the value and the incomes of all existing buildings. Otherwise it would thus pile up tax arrears, already the greatest problem of the municipalities. Unless rigidly restricted it would stimulate opening up of new real estate subdivisions when what is needed is the development of land already improved at heavy expense. This would increase municipal expenses without immediately increasing municipal revenues. But a reasonable and limited tax exemption of the cheaper homes might be possible. It should be for a brief period, say, three years, and only in the first year should exemption be 100 per cent.

Schemes to stimulate home building are not necessary if the demand for homes exists. The chief step needed now is to raze the barriers that prevent private capital from going ahead.

LACK OF FRANKNESS PROVES EXPENSIVE

FOR many years The Financial Post has carried on an effort to induce the directors of Teck-Hughes Gold Mines to be frank with their shareholders and the public. The effort was never more than moderately successful. Gradually the company's management has loosened up on information that the small shareholder was as much entitled to have as the insiders. Suggestions of The Financial Post that the head office should be established in Canada, and that Canadian directors should be added to the board were adopted. But the company has never been as frank as every company should be.

Part of the trouble has been that that dour Scottish individualist, President D. H. L. Forbes, the man who took a penny prospect and turned it into the dividend-paying mine that Teck-Hughes is today, has gone about his mine-making effort with such concentration that he has overlooked the fact that any company in the position of Teck-Hughes must keep its shareholders informed, must answer their questions frankly when asked at annual meetings, must also answer questions put to him by legitimate representatives of papers read by investors. Dr. Forbes says that he has never sold any Teck-Hughes shares. That is beside the point. More important is the fact that other shareholders were not given the information that would have enabled them to decide whether they should buy or sell their shares or buy more.

The Ontario government investigation into Teck-Hughes ended without finding any evidence of fraud or illegal wrongdoing on the part of anyone. That is a happy conclusion. The enquiry has served a useful purpose even without putting anyone in jail. It censured two directors for selling their shares and it censured the management on the same grounds that The Financial Post has censured it. It has demonstrated that it is better for companies to be frank, and completely so, with their shareholders.

FIFTY YEARS OF SERVICE

LA PRESSE, Canada's greatest French newspaper, has rounded out the first 50 years of an eventful and useful life by publishing a commemorative edition. The supplement, aside from its interest to the reader, is symbolic of the paper's predominance in the French-Canadian field of journalism. For two score and ten years it has given constructive leadership. La Presse may well be termed the chief spokesman of that large number of Canadians who claim France as their country of ancestry. Today it is one of the most influential publishing enterprises in the Dominion, a position achieved through service to and confidence of its readers.

FLIGHT FROM THEORY

WE can hardly overestimate the significance of the flight from Roosevelt revealed by the Literary Digest's latest poll. About one in five of those who were with Roosevelt in his New Deal policies in late August and early September are today definitely out of sympathy with his whole platform.

Has Roosevelt sensed the public reaction against radicalism, a, reaction that probably is not so much an expression of loss of faith in the president himself as loss of faith in those who surround and advise him? His recent utterances give rise to that feeling.

Planned economy—planned in college laboratories—is failing to work. The New Deal structure is tumbling down.

But that will not prevent planned economy in various of its manifold aspects from being the central plank in many a politician's platform in the forthcoming Federal election here.

WHAT ABOUT CO-OPERATION

WHEN Judge Fullerton made his speech in Halifax opposing amalgamation of the railways, he said, according to the Canadian Press report, that all that could be saved by amalgamation could be saved by co-ordination if the railways honestly co-ordinated their efforts.

Such a statement from Judge Fullerton must be taken seriously.

But there has been little evidence of co-operation between the two roads in recent months. If they have been working together constructively and successfully to cut operating expenses, there has been little public revelation of the fact, at least since the early days of the "co-operative competition" plan.

If duplication of services can be avoided, if large savings can be made in this and other directions, will Judge Fullerton not tell us why they are not being made?

BRITAIN'S INCREASED SALES OF ANTHRACITE

BRITISH opponents of the Canada-U. K. agreement resulting from the Ottawa Conference, who contend that Canada only has benefitted, have apparently overlooked the increased market for anthracite coal which Britain has obtained as a direct result of that agreement. According to the terms of the pact, the general tariff on anthracite was raised, the preferential tariff remaining the same.

Imports of anthracite coal from the United Kingdom have nearly doubled since the agreement was consummated. In addition, due to the reduction in total imports, Britain is now supplying half of the Canadian demand as compared with 15 per cent in 1928. The probability of a further increase in imports from Britain when total consumption again rises is evident.

In 1931, Canada's imports of anthracite from the United Kingdom were 876,000 tons; in 1933, the total was 1,600,000 tons while this year imports seem likely to exceed the latter figure. In value, imports of anthracite from the United Kingdom were valued at over $8,000,000 in 1933, as compared with $4,700,000 in 1931.

LIVE AND LEARN

IT IS only a little over a year ago that Raymond Moley, then President Roosevelt's No. 1 adviser, came to Canada and gave an address at the Liberal Summer School on the meaning of the N.R.A. It had been found necessary in the United States, he said, for the government, for the President to go into the "regulation of business to a greater degree than we have ever had before." Moreover, he said, going into business was a national affair and there could only be one governmental power able to maintain control and direct the process of reorganization of recovery and that was the national government.

What does Mr. Moley think one year later? Writing in To-day, last week's issue, Professor Moley says:

"One of the lessons that has been learned is that the present scope of our economic life is so large that governmental control, unless caution is exercised, is likely to be organized on a scale too large for any human being to administer. A government, if it is to assume an omnipotent position, must equip itself with omniscient persons. To get and keep a set of adequate men at work on the task of such magnitude is more than any government can or should undertake at this stage of our development."

A great many people of the type of President Roosevelt and Professor Moley have learned something out of their experiences of the last 18 months. We, in Canada, can avoid many of the mistakes that were made across the border by observing the failure of theoretical ideas when put into practical application there. There is plenty of truth in Professor Moley's present view that:

"There are things that government simply cannot be expected to do, and if such things are to be done at all, they will have to be left to voluntary contract and a voluntary acceptance of intelligent business standards."

EDITORIAL NOTES

Secretary of State Cordell Hull criticizes certain unnamed countries for their indefensible tactics in raising tariff barriers just before they enter into reciprocity negotiations with other countries. We have a suspicion that Mr. Hull was talking to be heard by some of his own Congressmen.

Post-Scripts

THE financial trails of the world are scattered with the wrecks of investment programmes. In each of them is a poignant personal tragedy.

The other day, four old ladies applied for old-age pensions from the State of Michigan. Their ages ranged from 74 to 82. They are the daughters of one of Detroit's early and wealthy citizens—a man who was so well-to-do and so public-spirited that he donated to the city of Detroit the site on which the City Hall now stands. The property this family once owned is today valued at $8,000,000, but the four daughters are practically penniless.

Here is presented the perfect opportunity to draw the moral of the value of thrift and investment. But when one looks into the circumstances one finds that the moral is sheer irony applied to this case. One of the daughters told newspaper reporters the other day:

"I don't believe we are to blame because we are destitute at our ages. Now take my own case, for example. I saved my money against old age. I was advised to buy bonds and so I bought them, real estate bonds, through a Detroit bank. They are worth nothing now. I can't collect a penny."

This happened in Detroit, but the same thing has happened all over Canada. What an argument it is for the strengthening of companies legislation, the better regulation of security selling and the promotion of higher standards of competency and ethics in the investment business.

Sayings of the Week

"The British Empire is now creaking in all its joints."—*Sir Abe Bailey.*

"Babies are fat owing to their more or less vegetable existence."—*Dr. E. P. Poulton.*

"The United States seems too big a country to try to run by planned economy."—*Sir Josiah Stamp.*

"Scarcity is the gaunt mother of unemployment. Plenty makes employment." — *Henry Breckinridge.*

"Where democracies have fallen it has been in no small degree the fault of the democrats."—*Sir Herbert Samuel.*

"A dollar bill is like a postage stamp; it is no good unless it will move commodities between persons."—*Henry Ford.*

"Let us not propound schemes of sloppy Socialism and call them Christian politics and economics."—*Dean Inge.*

"Trying to force recovery by statute is like standing up in a sailboat and blowing on the sails."—*Neil Carothers.*

"Navigation markers are designed not so much to show where the rocks are as where they ain't."—*Owen D. Young.*

"In so far as the New Deal is destructive of wealth, income and production, it is, in my opinion, wrong."—*Irving Fisher.*

"Price cutting is a healthy sign. It means that the public is getting the benefit of increased efficiency in manufacture."—*Henry Ford.*

"Even the philosophy of Free Trade was often supported by good men, under the impression that it was a good thing."—*G. K. Chesterton.*

"The workers are more concerned about their little capital investments than some of the capitalists are about theirs."—*Herbert Morrison.*

"Most modern travel books are the work not of travellers who feel compelled to write, but of writers who feel compelled to travel."—*Evelyn Waugh.*

"Leadership cannot be discovered by birth nor bred like queen bees, nor assured by the appointment of autocrats or bureaucrats."—*Herbert Hoover.*

"Modern methods of production given efficient organization would enable the whole world to live in comfort with about two hours' work a day."—*Bertrand Russell.*

"The curse of the present moment is that democrats throw cold water on the principles of democracy, and reasonable people despair of reason."—*Lord Allen of Hurtwood.*

"Control of production, attempts to fix prices, and similar remedies, are not going to do much to bring the country back to prosperity.—*Premier J. G. Gardiner of Saskatchewan.*

"Statistics show that it is very much more dangerous to use the highways of England for a month than it is to live in revolutionary Spain for three and a half years."—*Miss Olive Temple.*

"Unless some steps are taken to bring about an increase in international trade the present signs will prove a false dawn and the world will sink back into even worse depression."—*Rt. Hon. Stanley Bruce, high commissioner for Australia.*

"If I am to assume that Premier Hepburn can damage me for having registered men with one or two convictions, but no pronounced criminal tendencies, I assume he will condemn in no uncertain terms his Attorney-General for having recommended the registration of a man with twelve convictions."—*Col. G. A. Drew.*

The World at Large

How Big a Navy?

Conversations in London on Sea Armaments Are Vital to Canada

By JOHN A. STEVENSON

There have opened in London conversations between accredited representatives of Britain, the United States and Japan which should be of profound interest to the people of Canada.

The arrangements about limitation of naval armaments, which were reached at the Washington Conference in the winter of 1921-22, and subsequently revised at the London Conference in 1930, are due again to be reviewed. It has been deemed advisable for these three powers to explore the problems involved before a full dress conference, whose date has not been definitely fixed but which is planned for 1935, takes place. These powers are the only parties to the London agreement but France and Italy subscribed to the Washington agreement. The latter pact has been honorably lived up to and has had very satisfactory results as it halted a dangerous and expensive race in naval armaments which was then threatening. By it the aggregate strengths of the navies of the contracting powers were fixed in definite ratios and there were further limitations about the total tonnage and individual size of different classes of warships.

Japanese Ambitions

The ratio of 5-5-3 fixed for the strength of the British, American and Japanese fleets was very reluctantly accepted by the Japanese and ever since they have chafed continually at what they regard as a position of humiliating inferiority. In recent years the militarists, whose influence on Japanese policy has been steadily increasing, have been bitter in their denunciations of the restrictions of the Washington agreement and have contended that the national self respect of Japan demands their immediate removal. Blunt intimations have been forthcoming from Japan that she will only renew the naval agreement on terms of complete parity in naval strength with Britain and the United States. In interviews which they gave as they travelled through the United States, the Japanese delegates harped insistently upon this subject. But their continued reiteration of this demand gives rise to the suspicion that they were talking more for home than for external consumption.

Opposition to Militarists

Apparently the militarist faction in Japan, which was given its head in the Manchukuo adventure, is not wholly in control of Japanese policy and is now encountering stiff opposition from industrial and commercial interests, headed by the famous Mitsui organization, who have become alarmed at the unpopularity of Japan's recent policies in Britain and the United States and want to pursue conciliatory courses. They dislike also the Fascist tendencies of the younger militarists, many of whom are assiduous critics of the present Capitalist system and ready to upset it. They would like to curb their influence. But they do not want the Japanese delegates to lay themselves open to the accusation that they are betraying the national interests and so the latter have evidently been instructed to proclaim the demand for parity on every possible occasion.

Prospects for Success

The negotiations seem to have opened in a very friendly atmosphere but they are only at the stage of skirmishing for position and a successful outcome is by no means assured. If the Japanese militarists have their way and as the price of the renewal of the naval agreement, get conditions imposed which are completely unacceptable to Britain and the United States, then it will be terminated. The question will arise what policy Britain and the United States will pursue and whether they will enter into a naval agreement between themselves. British advocates of a stronger navy, like Sir Roger Keyes, would frankly rejoice if Britain were freed from what they regard as the crippling trammels of any naval agreement but the Macdonald Government will not want to embark on any fresh race in naval armaments, which would upset its budgetary plans. It will certainly do its best to avoid any such development.

However there is an influential party in Britain which is frankly in favor of reaching some accommodation with Japan and would even go so far as to renew the Anglo-Japanese alliance. It takes the view that, faced with menace of Hitlerism in Europe, Britain must take steps to preserve her interests in the Far East and that since no effective co-operation can be expected from the United States, the best method is to get some sort of concordat with Japan. Powerful industrial interests, which support this policy, have been responsible for the British trade delegation which is now visiting Manchukuo and which the Japanese regard as a friendly gesture.

Ottawa's Influence

The Anglo-Japanese alliance was abrogated in 1921 largely at the instance of the Canadian ministry of the day because it felt that Canada could not afford to be committed to a foreign policy which excited such animosity in her great neighbor, the United States. The same argument seems to hold good today. Undoubtedly the renewal of the Anglo-Japanese alliance would provoke widespread resentment in the United States and would end for the time being all hopes of active co-operation between the two great Anglo-Saxon communities in international affairs. Moreover Canada, if she were a party to the renewed treaty, would have to bear the brunt of American displeasure in trade and other relations. So it is quite certain that the views of our Government will be sought and weighed by the British Government before it takes any decisive step.

Up to Roosevelt

If Japan determines to cut loose from the agreement and go her own road, it is possible that the British ministry will put the issue very sharply up to the Roosevelt administration. It might well say that if the United States likes to co-operate wholeheartedly and, leaving Britain free to keep the peace in Europe, assume the main burden of maintaining a naval strength in the Pacific, which will checkmate Japanese ambitions, then there will be no idea of renewing the Anglo-Japanese alliance, but that if the U. S. refuses to make any definite commitments on this score then Britain must make her own terms with Japan.

Canada would take very unkindly to any such development and it is therefore very much in her interest that the negotiations now begun in London should not fail.

The latest cables indicate that the Japanese have a project for a three power pact of non-aggression up their sleeve and that there have also been put abroad hints that if their national dignity was satisfied by the formal concession of naval parity, they would agree not to build up to the limit allowed them under it and would even be ready to welcome a reduction in the present scale of naval armaments.

As Others See Us

Policing Investment
Quebec Chronicle-Telegraph

One of the most refreshing movements of Canada today is the growing conviction of our leaders and the Press that out of the Word depression must come a general house cleaning of the abuses of our capitalistic system, so that the confidence of the investor must be restored and protected as far as it is possible through legislation. This is one of the most qualifying first steps toward a permanent recovery of business and with it the employment of thousands of unemployed. Editorial comment of The Financial Post is in line with the policy of the Chronicle-Telegraph for some time and a good sign of the temperament of the people who are not downhearted nor discouraged is when they realize that their leaders are disposed to see that they receive a fair and just deal in the promotion of our industry and the development of our country.

The Spoils System
Halifax Chronicle

The Financial Post points to the great public spending which arises out of elections as a general scandal.

In our own province this pre-election expenditure is an old and woeful tale. Our whole public life both federal, provincial, and even municipal from one end of Canada to the other is tormented with this vicious system. The "spoils system" is publicly defended and when one party drives out of its administrative services all and sundry simply because they happen to hold opposite political views, the succeeding party in self-defence follows suit and the vicious circle is complete. Instead of copying the rational system of Britain, Canada has been too much influenced by that which obtains south of the border. One thing is certain, that regardless of what view may be held on the subject, if the system is allowed to become a permanent fixture it will increase inefficiency and waste.

If this matter is ever to be properly solved it must be tackled honestly, and openly and frankly, and both parties must unite in bringing it about. One party cannot do it alone.

"Stop Me If You Have Heard This One"

A business man, who had to leave on a journey before the end of a case begun against him by a neighbor, gave orders to his lawyer to let him know the result by telegraph. After several days he got the following telegram:

"Right has triumphed."

He at once telegraphed back:

"Appeal immediately."

Other People's Views

Yes, There is a Santa Claus
Detroit Free Press

Youth need not be puzzled any longer over whether or not there is a Santa Claus. All it has to do is to look to Washington for an answer.

Artificial Wheat Price
The Nor'West Farmer

The government of Canada has been applauded both at home and abroad for maintaining the credit of Canada in the money markets of the world and avoiding wild inflation schemes, yet at the same time this same government has been following a dangerous policy in "holding-the-bag" for other wheat exporting countries of the world. It was not enough for the other countries to get the lion's share of the export demand last year but now it appears to be good business to hedge their wheat in the Winnipeg pit at a time when Canada's wheat harvest is in full flood. Is the government's artificial support in holding Winnipeg prices several cents above Liverpool, responsible for this state of affairs?

The Banker's Attitude
Wall Street Journal

Eugene R. Black, former chairman of the Federal Reserve Board, told the members of the Savings Bank Association of New York that bankers — he apparently meant commercial bankers—must "alter their steps in line with perfectly apparent developments," and "have the right attitude toward recovery, both for their own sake and for the sake of the country."

What is the "right attitude" for a banker to take "toward recovery?" Is it to accept "risks" that he would not accept in normal times?

Are any developments apparent that have changed, or should change, the relation of trusteeship in which the banker stands toward his depositors?

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Building Doubles in Toronto

Value of building permits issued in Toronto to the end of September, 1934, is double the figure for the same period of last year, and is equal to that for the whole of 1933.

London Permits Higher

Building permits issued in London for the first nine months of the current year were valued at $418,090, an increase of $60,645 over the corresponding period of 1933.

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The Week in Business

Improvement in Maritimes

ALTHOUGH the third quarter of the year was marked by a slight upward movement in the Dominion, the trend was not the same throughout the country. In the Maritimes, economic conditions showed probably more improvement than in the Dominion as a whole, steel mills being much busier than a year ago and fish catches and prices higher. There was an important expansion in the amount of construction contracts awarded and more men were employed on railway and highway work. Men employed by the Dominion Coal Co. reached a high level during the period. The Annapolis Valley apple crop was well up to average although smaller than last year. Poor prices are being received for a good potato crop, largely due to the Cuba-U.S.A. reciprocal trade agreement which has eliminated the Cuban market for potatoes.

A slight downward tendency was apparent in Quebec during the third quarter of the year, output of three major industries, boot and shoe, textiles and pulp and paper, being curtailed to some extent, although plants are considerably busier than at this time a year ago. Taken as a whole, the season has been a fair one for the farmer. Grain crops were of good quality and larger than those of last year, and the hay crop, too, was satisfactory. Forage crops and pastures suffered from midsummer drought, however, but a shortage of feed will not likely be felt.

* * *

Decline in Construction

BUSINESS in Ontario during the quarter has apparently been better than would be judged by the accepted indices of economic activity. The reason for this is that the latter have been unduly depressed by a considerable reduction in employment due to the release of a large number of men employed in highway construction work. Construction contracts awarded during the quarter in the province were only half of the total for the previous three months and approximately the same as that for the third quarter of 1933.

In certain manufacturing industries there was evidence of more than seasonal reduction of operations, particularly in textile, iron and steel and automobile lines. On the other hand, expansion was noted in the food manufacturing industries. Severe drought resulted in a shortage of hay but this will be offset by increased production of feed grains and root crops. Mining continued to be the most active industry and expanded further during the quarter.

* * *

Prairies Take Up Slack

SINCE the upturn was first noted in Canada in the spring last year, the Prairies have definitely lagged behind recovery in the rest of the Dominion. This is accounted for almost entirely by, first, the short 1933 grain crop and second, by the extremely low prices obtained for farm produce. While this year's crop will not likely be greater than that of 1933 and the grade is undoubtedly lower, a marked improvement has taken place in prices. Thus it is estimated by one authority that, compared with last year, an additional $50,000,000 will be paid to farmers for their wheat crop alone.

Reviewed by provinces, it would appear that Saskatchewan is again the least favored section, crops in the southern district being almost wiped out entirely. Alberta is again the most favored province although considerable damage has been done to grade by early frost and snow. Manitoba has had a fairly satisfactory year, activity being stimulated during the past three months by increasing mining activity and high premiums on Durum wheat, of which there has been a good crop.

* * *

B. C. Expansion Continues

BRITISH COLUMBIA has now completed two years of fairly steady improvement, the upturn taking place in that province earlier than in the rest of Canada, according to The Financial Post regional index. During the past quarter, all the major industries operated at good volume, returns from fishing, mining, lumbering and fruit growing being better. Some contraction is noted in the export markets for lumber, however. Failure of the rest of Canada to require B.C. lumber has also kept production down.

New Brunswick Tourist Traffic Volume Heavier

From Our Own Correspondent

MONTREAL.—Tourist cars entering New Brunswick up to September 30 this year showed an increase of 21 per cent over returns compiled at the same date last year, according to returns compiled by the New Brunswick Bureau of Information and Tourist Travel. Total number of cars entering the province was 44,140, as against 36,399 for the corresponding period of 1933.

Since the early part of the season the increased volume of traffic has been most noticeable at the northerly ports of entry and at the present tabulation this increase is well maintained.

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Business Conditions in Canada

NEW HIGH POINT SET BY BUSINESS DURING SEPTEMBER

Gains in Past 3 Months Have Been Small

By SYDNEY B. SMITH

The Financial Post business index was fractionally higher in September than in the preceding month, resulting in a new high point for several years. For some months the general change in business operations has been slight, the standing in September being 98.9 as compared with 98.4 in August and 98.6 in July.

External trade was a bright spot of the month, indicating that the exchange of merchandise with other countries is still showing expansion despite the economic reaction recently experienced in many countries. The adjusted index of imports moved up from 70.0 to 73.5, a gain of 5 per cent. The advance in exports was even greater, the index being 82.8 as compared with 77.3, a gain of 7.1 per cent.

Copper Exports Heavy

Copper exports featured the mining factors included in the index, the September total going to 25,083,000 pounds compared with 23,500,000 pounds in August. This total exceeds, for the most part, the totals recorded in preceding years. Nickel and zinc exports were lower and gold shipments were lower while lead production and silver receipts showed moderate gains.

Foodstuffs. — A support to the manufacturers' index was the gain in the production of foodstuffs. Flour production was up at 1,282,000 barrels compared with 1,073,000, and rolled oats gained somewhat. The adjusted output of sugar reflected an excellent gain. Cattle and sheep slaughterings recorded increases less than normal for the season. Hog slaughterings were 178,000 compared with 169,200. The gains in exports of cheese and salmon were considerably less than seasonal expectations.

Textiles.—Decline in the imports of raw cotton was greater than normal for the season, the index receding from 104.4 to 111.1. A sharp revival was shown in the imports of cotton yarn and thread, however, the total being 543,000 pounds compared with 349,000. The index moved up from 99.1 to 159.3, a gain of over 60 p.c. Wool imports declined from the high level of the preceding month. Owing mainly to the sharp rise in cotton yarn and thread, the index of the imports of raw materials by the textile industry showed a rise from 103.2 to 106.8.

Iron and Steel Active

Forestry. — Forestry operations measured by four significant factors after seasonal adjustment receded nearly five p.c. in September. Newsprint dropped from 216,000 tons to 196,000, the decline being greater than normal for the season.

Iron and Steel.—The primary iron and steel operations continued fairly active in September, while the motor car industry operated at low levels. The index of steel ingot production was down from 102.7 to 102.1. The index of pig iron production showed a gain of 15 p.c., the adjusted index in September standing at a higher point than at any time since July, 1931. The output of motor cars and trucks was 5,579 compared with 9,904, the decline being much greater than normal for the season.

Construction Better

Construction.—The award of construction contracts made a better showing in September, the gain in the adjusted index being from 45.3 to 49.3. Seasonally adjusted gains have now been shown for the last three months. Building permits in the 61 cities, on the other hand receded in September after having shown bright promise for two months.

Car Loadings.—The gain in carloadings failed to meet seasonal expectations, the total being 212,214 cars compared with 204,552.

Bank Debits.—Bank debits or cheques cashed at the branch banks in 32 clearing centres were $2,581,000,000, the adjusted decline being 2.6 p.c. from the preceding month. The gain over the same month of 1933 was 5 p.c., while the cumulative total for the first nine months was up nearly 7 p.c. over the same period of 1933.

Chief Figures

Figures for chief component parts of the index are:

	Sept. 1934	Aug. 1934
Steel ingot pro. ...... long tons	57,489	63,478
Automobile pro. cars and trucks	5,579	9,904
Wholesale prices ... (1926 = 100)	72.0	72.3
Con. contracts ..$	12,494,000	13,543,900
Exports ....$	58,814,703	55,837,064
Imports ....$	42,207,602	43,507,331
Bank debits .....$	2,580,850,389	2,533,455,103
Com. stk. prices $	83.8	83.8
Copper exp. . lbs.	25,083,100	23,548,300
Nickel exp. . lbs.	8,909,300	11,840,000
Gold ship'ts. . oz.	248,292	263,148
Flour pro. . bbls.	......	1,282,214
Raw cotton imp. .... lbs.	7,669,268	8,534,527
Newsprint produc. .... tons	196,172	216,164
Exports planks & boards ..... ft.	123,163,000	135,135,000
Crude pet. imp. .... gals.	118,210,821	129,613,183
Carloadings . No.	212,214	204,552
Employ., all indus.	98.8	99.9
Employ., manufac.	94.3	94.2

Third Quarter Survey Shows Gains Continue

Period Was Rather One of Consolidation, However, The Financial Post Finds

Economic recovery in Canada during the third quarter of 1934 showed a further slight extension, the level of industrial activity at the end of the period being 41.5 per cent above the low point of the depression, reached in March, 1933, as measured by The Financial Post business index.

The period was, however, rather one of consolidation than of marked advance. While definite evidences of expansion were apparent in some major industries, and certain financial factors improved greatly, The Post index moved only slightly higher during the period.

Business conditions during the quarter were maintained at a level about 12 per cent higher than in the same period of last year. September showed a fractional gain over August, reaching a new high point in the recovery movement.

Many Impressive Gains

Standing of the leading business indices in the quarter as compared with a year ago is shown in the table below, the most significant changes, in addition to those mentioned above, being:

Retail sales were 2.4 per cent higher than in the same period of 1933.
Carloadings were 9.8 per cent greater.
Newsprint production was up 10.8 per cent.
Steel ingot output was 37.6 per cent higher.
Passenger automobile production gained 36.6 per cent and trucks 73.8 per cent.
Construction contracts awarded were 22 per cent higher.
Imports gained 14.8 per cent and exports 10.4 per cent.
Farm product prices were up 6.3 per cent, wholesale prices in general being 3.1 per cent higher.
Employment showed a gain of 15.2 per cent.
Percentage bond yields were 13.9 per cent lower than in 1933.

Some Recessions Evident

There were a few reductions as compared with the third quarter of 1933, of which the outstanding were:

Silver shipments were down 6.8 per cent.
Wholesale prices of manufactured goods were 4.3 per cent lower.
Wheat flour exports were off 16.9 per cent and production 11.9 per cent.
Raw cotton imports were 11.9 per cent less.

		Third Quarter 1934	Third Quarter 1933	% Increase or Decrease
Business Conditions:				
Financial Post index		98.6	88.0	+12.1
Mining:				
Copper exports	lbs.	69,843,200	68,718,500	+1.6
Nickel exports	lbs.	32,109,800	29,491,100	+8.9
Gold shipments	oz.	760,859	687,064	+10.7
Silver shipments	oz.	3,809,431	4,086,270	—6.8
Retail Sales		68.9	67.3	+2.4
Manufacturing:				
Wheat flour production*	bbls.	3,482,438	3,952,621	—11.9
Raw cotton imports	lbs.	24,484,736	27,783,669	—11.9
Newsprint production	tons	620,594	559,881	+10.8
Exports of planks & boards	M. ft.	393,298	356,677	+11.7
Pig iron production	tons	121,263	97,666	+24.2
Steel ingots production	tons	187,614	136,365	+37.6
Passenger auto. output	No.	19,943	14,599	+36.6
Truck and bus output	No.	6,654	3,828	+73.8
Auto. exports	No.	13,379	5,635	+137.4
Crude petroleum imports	gals.	364,707,339	342,681,091	+6.4
Construction:				
Contracts awarded	$	37,228,400	30,517,500	+22.0
Building permits	$	8,741,359	6,119,418	+42.9
Transportation:				
Carloadings	No.	604,642	550,742	+9.8
C.P.R. gross earnings	$	33,689,000	31,211,000	+7.9
C.N.R. gross earnings	$	36,677,000	34,639,000	+5.9
Trade:				
Imports	$	129,859,442	113,143,826	+14.8
Exports	$	171,433,433	155,329,040	+10.4
Wheat flour exports	bbls.	1,261,181	1,517,560	—16.9
Wheat exports	bus.	59,986,940	44,692,853	+34.2
Prices—1926 = 100:				
Wholesale		72.1	69.9	+3.1
Farm products		60.9	57.3	+6.3
Manufactured goods		68.9	72.0	—4.3
Retail		78.7	77.9	+1.0
Security prices		83.0	83.3	—0.4
Bond yields	%	3.95	4.59	—13.9
Employment—Adjusted:				
All industries		95.5	82.9	+15.2
Manufacturing		91.5	82.6	+10.8
Trade		118.5	112.3	+5.5

Many Countries Decline

The advances in Canada were at marked variance with experience in most of the leading world countries. Definite recession was noted in the United States during the period, the September level of business being the lowest for the year. Reports from the United Kingdom and France also indicate minor recessions there.

Some of the improvement which has been recorded by industrial activity was passed on to the retail and distributive trades during the quarter under review. Advances in these latter groups—particularly in retail trade—have not been on the wide scale noted in industry, however. But it should be remembered that retail trade did not decline to nearly the same extent as industry.

Interest Rate Changes

One of the most significant changes recorded during the period was the drastic reduction in long term interest rates. This decline, which has been going on steadily throughout the year reached a point at the end of the quarter where the yield on government bonds was reduced to about 3.5 per cent, the lowest level reached since 1911. Instead of being a drag on recovery, as were the high rates of 1933, this factor is now more favorable than at any time since the war.

Rural Improvement

Agricultural conditions are considerably improved over a year ago, the immediate situation being affected by higher prices for almost all farm products and the long-term outlook brightened by the almost assured reduction in the world wheat surplus to a more manageable level. The market for manufactured goods in many farming districts will be larger this winter than last although conditions throughout the Prairies are spotty.

Construction remains the one industrial activity which has failed to recover materially. September figures for construction contracts showed some improvement over the previous month, however, and there is evidence that this improvement will be continued. On the other hand, building permits issued in 61 cities failed to maintain the level of August in the following month.

Iron and steel output, which is generally considered, in Canada, to be closely related to automobile production maintained the gain over the past two years noted during the first half of 1934, even although output of automobiles dropped in September to about the same level as last year.

The part played by the manufacturing industries in maintaining the general level of activity during the quarter is evident from employment returns. These returns show that, while total employment declined slightly during the quarter, employment in manufacturing continued to new high levels without recording a recession in any month.

Failure of wholesale prices to show any marked reaction to reduced production and somewhat increased demand, and to the effect of dollar devaluation in terms of gold, draws attention to the fact that complete recovery has not yet been achieved.

Outlook For Future

Outlook for the future is clouded by the failure of other world countries, particularly the United States, to keep pace with the improvement in Canada. Recent developments in the United States, however, chiefly President Roosevelt's assurances to business men that no further meddling with private enterprise was being considered, give rise to the hope that the United States will again start along the road to recovery—to the certain benefit of Canada.

Further, little has yet been done to reduce the high tariff walls throughout the world which are acting as an almost insurmountable barrier to trade recovery. Despite these trade barriers, a considerable increase has taken place in the quantum and value of Canada's trade, increased exports being an important factor in the recovery that has taken place in the Dominion.

Lower Trade Barriers

On the other hand, the marked reduction in long-term interest rates already referred to, and the trend toward lower rates to private borrowers raise hopes for further business improvement. In addition, there seems more hope, than at any time since the start of the depression, that construction, with government aid, will greatly broaden the slight improvement that has taken place.

If the halt that has been called in the world trend toward complete economic nationalism means that any loosening of trade restrictions will soon take place, this must be regarded as an important favorable factor.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA		Latest 1934	Latest 1933	Cumulative Total Jan. 1 to date 1934	Cumulative Total Jan. 1 to date 1933
Transportation—					
Car loadings (Oct 13)		▲51,560	50,303	1,803,706	1,554,923
C.P.R. gross earn. (Oct. 14)	$	▲2,765,000	$ 2,794,000	$ 96,269,000	$ 85,724,000
C.N.R. gross earn. (Oct. 14)	$	▲3,232,378	$ 3,107,950	$ 128,380,126	$ 110,210,674
Business Conditions—					
Weekly index D.B.S. (Oct. 13)		▲92.1	83.1	......	......
Business failures (No.) Oct. 13)		▲23	23	1,129	1,744
MONTHLY DATA					
Business Conditions—					
Financial Post index (Aug.)*		98.4	88.7	......	......
Transportation—					
C.P.R. net earnings (Aug.)	$	1,070,633	$ 738,601	$ 10,636,527	$ 6,968,122
C.N.R. net revenue (Aug.)	$	65,276	$ 1,007,031	$ 5,132,261	$ ‡1,151,485
Iron and Steel (September)—					
Pig iron production (tons)		▲43,019	30,738	279,090	133,870
Steel ingot prod. (tons)		▲57,489	38,630	585,162	266,829
Automobiles (Number)—					
Passenger Car:					
Domestic sales* (August)		4,000	3,355	53,220	33,451
Factory output (August)		9,904	6,079	103,102	50,881
Trucks and Buses:					
Domestic sales* (August)		1,192	553	8,867	4,056
Factory output (August)		2,579	1,160	20,286	7,781
Exports (August)		4,971	1,919	36,477	12,598
Construction—					
Building permits (September)	$	▲2,247,784	$ 1,986,903	$ 19,024,000	$ 16,394,014
Contracts awarded (Sept.)	$	12,494,000	$ 8,386,000	$ 96,145,100	$ 63,430,700
Newsprint (tons)—					
Production (September)		▲196,172	179,416	1,882,207	1,448,552
Exports (August)		183,829	165,880	1,537,127	1,140,419
Sugar (lbs.)—					
Melting & shipments§		91,063,904	63,270,428	513,191,653	495,720,370
Manufactured§		88,679,472	60,377,719	500,128,185	485,758,000
Flour (bbls.)—					
Production (August)		1,282,214	1,443,692	8,955,632	9,008,998
Wheat flour exports (Sept.)		369,320	552,556	3,723,048	4,090,27▲
Trade (September)—					
Imports	$	42,207,602	$ 38,698,416	$ 377,249,292	$ 281,064,416
Exports	$	58,135,136	$ 57,784,804	$ 459,164,136	$ 359,947,804
Wheat exports (bush.)		17,588,359	19,666,351	$ 109,999,305	$ 128,061,430
Employment (Sept. 1) D.B.S. Index—					
All industries		94.6	88.5	......	.....
Manufacturing		91.9	86.8	......	......
Electric Power Output (August)—					
Total monthly (000's omitted)		1,658,742	1,508,216	13,651,531	11,035,824
Aver. daily		53,508,000	48,652,000	....	......
Other Industrial Indices—					
Lumbering:					
Plank & board exports, mill (September)		▲123,163	112,039	1,023,953	613,855
Boot & shoe prod., pr. (Aug.)		1,886,183	2,237,179	12,515,146	13,035,938
Crude petrol. imp. gal. (Aug.)		129,613,000	116,312,000	674,786,292	497,849,889
Cotton imports, lbs. (Aug.)		8,535,000	10,584,000	86,439,000	61,140,000
Raw rubber imp., lbs. (Aug.)		4,363,000	4,022,000	40,786,067	22,770,876
Coal imports, tons (Aug.)		1,462,469	1,299,750	8,209,179	6,470,738
Finance—					
Bank debits† (August)	$	2,533,000	$ 2,648,513	$ 20,744,000	$ 19,371,609
Bond sales (September)	$	17,065,600	$ 777,899	$ 325,832,572	$ 299,292,55.
Life insurance sales (Sept.)	$	▲26,123,000	$ 27,443,000	$ 274,818,000	$ 282,392,00
Automobile Financing—					
Used cars (August)	$	1,369,232	$ 902,444	$ 10,094,624	$ 7,726,84
New cars (August)	$	1,496,558	$ 908,390	$ 13,046,909	$ 7,736,49

†000's omitted. ‡Deficit. §For 4 weeks to September 8.
*D.B.S. All-Canada figure comprising over 90% of the Canadian total. *Final.

Commodity Prices

BRISK trading marked the opening of the new commodity exchange in Montreal, 126 silver contracts being handled on Monday with prices steady.

Most commodity markets declined last week, wheat, rubber, cotton, coffee and silk closing lower than at the end of the previous week. The downward tendency was continued on Monday with the exception of wheat which closed slightly higher at Winnipeg after good early gains.

Higher hog prices featured commercial markets last week, probably affected by strength in sterling. Cattle prices were lower with heavy supplies on hand.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$5.25	$6.00	$4.75
Copper lb.	.09	.09	.0750
Cotton, lb.	.1250	.1255	.0940
Rubber, lb.	.1387	.1443	.0712
Sugar, raw, lb.	.0289	.0293	.0320
Silk, lb.	1.20	1.20	1.52½
Wheat (Man.) bu.	.77⅛	.79¾	.64¾
Coffee, lb.	.09⅜	.09⅜	.07¼
Hogs	8.65	8.40	6.35
Weekly Indices			
N. Y. Annalist	116.7	116.5	104.9
Fishers'	79.0	79.1	†63.6
N. Y. Journal of Comm.	76.7	76.8	70.6
Crumps (Brit.)	64.0	63.7	†63.4
U. S. Labor	76.6	77.2	71.3
Canada (D.B.S.)	71.4	71.2	...

† Average, 1933.

Monthly Indices — Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
Retail (Sept.)	79.0	78.7	78.5
W'sale (Sept.)	72.0	72.3	68.9
U. S. Labor (Aug.)	76.4	74.8	69.5
Gt. Brit. (Aug.)	71.2	69.8	69.2

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

Business Briefs

Failures under the Bankruptcy Act in the week ended Oct. 13 numbered 23, the same figure as in the corresponding week of 1933. Failures to date number 1,129, a decrease of 35 per cent from 1933.

Car Loadings for the week ended Oct. 13 numbered 51,560, a decline from the previous week due to the holiday. The adjusted index number, however, rose from 68.98 to 74.25.

Fish Exports Up

Exports of Canadian fish and fish products during 1933 had a value of $20,223,610, an increase of 8 per cent over the previous year.

This letter brings out a plain fact. An individual executor may not always be available. Can your estate take the risk?

"The frost of years is beginning to tell . . .

"I appreciate your confidence in me but must refuse. I am certain it will be for your family's benefit that you do not appoint me to be your executor.

I have prospered fairly well, and now the frost of years is beginning to tell on me, I find it necessary to go South every Winter.

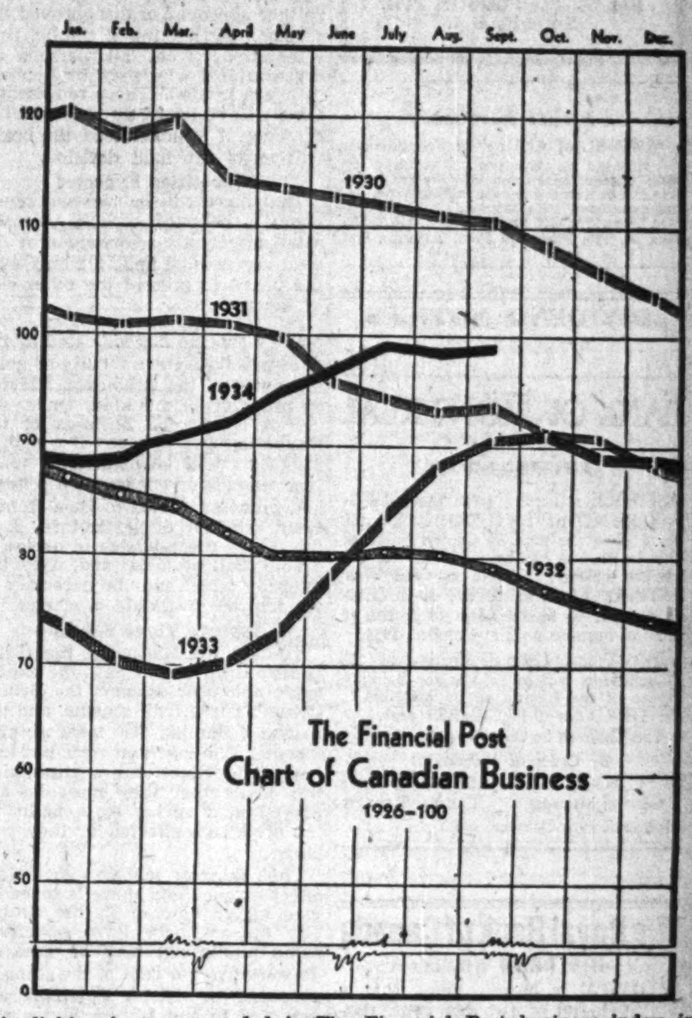
Some years ago I made my Will and on thinking over the matter of executor realized that I should not care to appoint anyone who would not be on the job at all times. It would be too risky.

I appointed the Trusts and Guarantee Company. They are always on the job and always available. I strongly urge you to see them about your estate."

Executor and Trustee since 1897

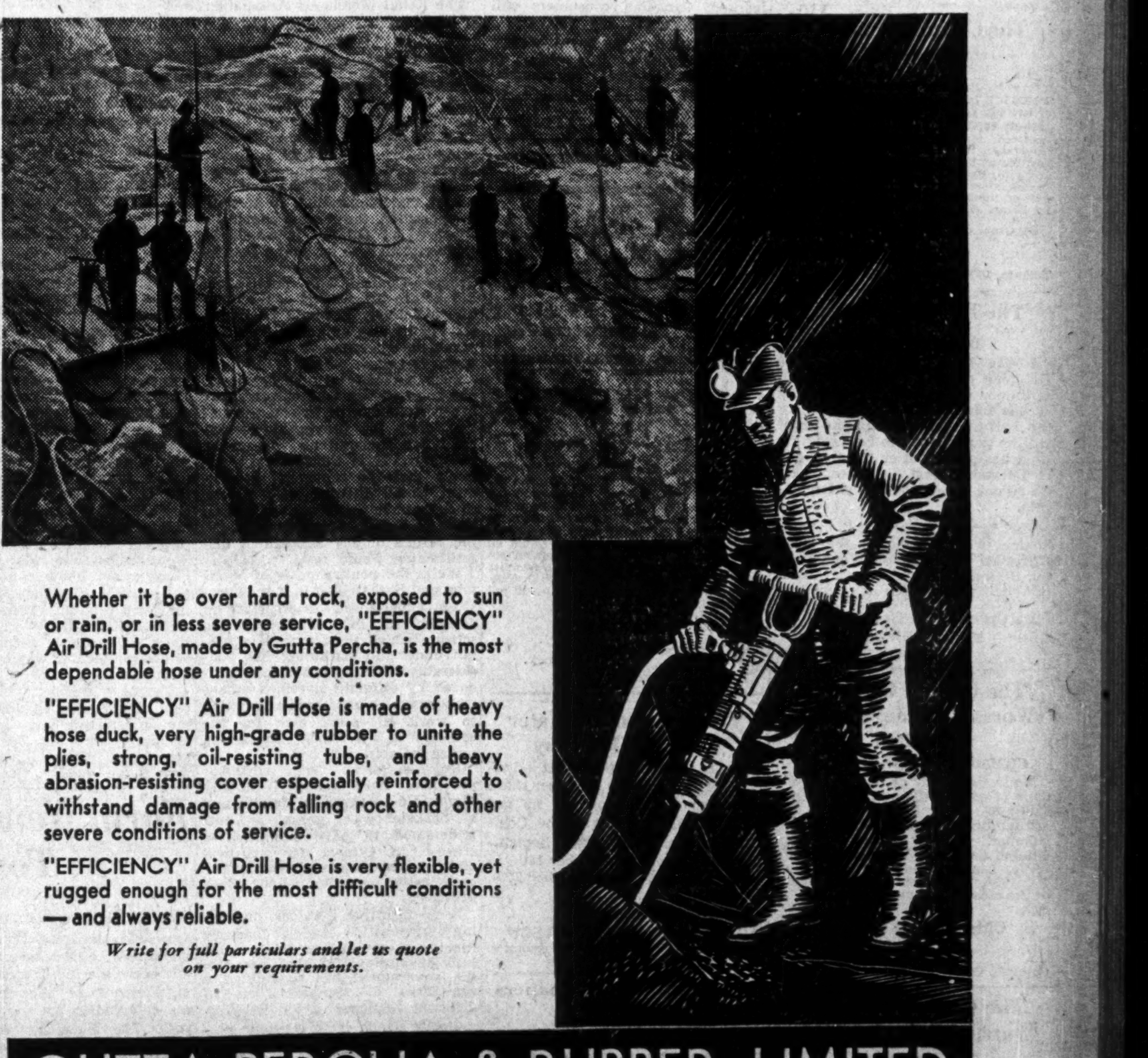
THE TRUSTS and GUARANTEE COMPANY, LIMITED
TORONTO
CALGARY — WINNIPEG — WINDSOR — BRANTFORD

September Business Recovers Lost Ground



A slight gain was recorded in The Financial Post business index in September, the figure being 98.9 as compared with 98.4 in the previous month. Manufacturing operations were maintained and foreign trade increased slightly.

DEPENDABLE AIR DRILL HOSE



Whether it be over hard rock, exposed to sun or rain, or in less severe service, "EFFICIENCY" Air Drill Hose, made by Gutta Percha, is the most dependable hose under any conditions.

"EFFICIENCY" Air Drill Hose is made of heavy hose duck, very high-grade rubber to unite the plies, strong, oil-resisting tube, and heavy abrasion-resisting cover especially reinforced to withstand damage from falling rock and other severe conditions of service.

"EFFICIENCY" Air Drill Hose is very flexible, yet rugged enough for the most difficult conditions—and always reliable.

Write for full particulars and let us quote on your requirements.

GUTTA PERCHA & RUBBER, LIMITED
Head Office, TORONTO, CANADA — *Branches from Coast to Coast*
The Largest All-Canadian Rubber Company — Founded in 1883
Makers of
"EFFICIENCY" AIR DRILL HOSE

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Sales Engineer Available

SALES ENGINEER, 38, Canadian, with executive sales and sales promotion experience and training in the engineering and mechanical equipment field and with a successful sales record, wants to connect with firm desiring greater sales and who require a man who has the persistance, the originality and logical imagination to tackle a really difficult proposition. Box 50, The Financial Post, Toronto, Ont.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

WANTED—A man with five thousand dollars to take full charge in manufacturing controlled lines for world market.

Box 52, The Financial Post, Toronto, Ont.

Export Business

CONTROL of well established business, situated in Montreal, is offered for sale. Exceptional opportunities for development of numerous existing contacts, and for expansion into Import. Full particulars to serious enquirers. Price, $10,000.00. Box 54, The Financial Post, Toronto, Ont.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 286

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after SATURDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1934.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the THIRD day of DECEMBER next.

The Chair to be taken at noon.

By Order of the Board.

W. A. BOG, General Manager — JACKSON DODDS, General Manager

Montreal, 19th October, 1934.

The Royal Bank of Canada

DIVIDEND NO. 189

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Saturday, the first day of December next, to shareholders of record at the close of business on the 31st day of October, 1934.

By order of the Board.

M. W. WILSON, General Manager.

Montreal, Que., October 16, 1934.

The Canadian Bank of Commerce

Dividend No. 191

NOTICE is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1934, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st December next, to shareholders of record at the close of business on the 31st October, 1934. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN, General Manager.

Toronto, 19th October, 1934.

The Bank of Toronto

Dividend No. 213

Notice is hereby given that a Dividend of Two and One-half per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next, to shareholders of record on November fifteenth, 1934.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday, the Sixteenth day of January next, the chair to be taken at noon.

By Order of the Board.

H. B. HENWOOD, General Manager.

The Guelph Carpet & Worsted Spinning Mills Limited

COMMON DIVIDEND No. 12

Notice is hereby given that a dividend of seventy-five cents (75c) per share has been declared upon the outstanding Common Shares of No Nominal or Par Value of The Guelph Carpet & Worsted Spinning Mills, Limited, payable November 1st, 1934, to shareholders of record at the close of business October 20th, 1934.

By Order of the Board,

B. F. GRIGGS, Secretary-Treasurer.

Guelph, Ont., October 19th, 1934.

The Guelph Carpet & Worsted Spinning Mills Limited

PREFERRED DIVIDEND NO. 22

NOTICE is hereby given that a dividend of One and Five-Eighths per cent. (1⅝%), being at the rate of Six and One-half per cent. (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills, Limited, for the Three Months ended October 31st, 1934, payable November 1st, 1934, to Shareholders of record at the close of business, October 20th, 1934.

By Order of the Board,

B. F. GRIGGS, Secretary-Treasurer.

Guelph, Ont., October 19th, 1934.

OPPOSITION GROWS TO POULTRY PLANS OF MARKET BOARD

Producers and Merchants Organize to Fight Scheme

MANY OTHER SCHEMES

Tobacco, Butter, Livestock, Potatoes and Beans Under Consideration — Precedents Being Established

From Our Own Correspondent

OTTAWA:—As various schemes come before the Dominion Marketing Board decisions of far reaching importance to industries based upon natural products are being made and precedents which almost certainly will bind the future administration of the statute are being established.

The text of the proposed scheme for the regulation of poultry products in the three prairie provinces was made public last Monday. The scheme has been under the scrutiny of the Marketing Board for more than a month but in making the text public all that the board said was that the scheme had been modified to the extent necessary to bring it into conformity with the Marketing Act. That is, the board has neither approved or disapproved the scheme. By making it public, representations from all persons or organizations who may be opposed to it are invited. These representations will be heard up to November 15, when it is understood the board will make the final decision.

Opposition Expected

That there will be vigorous opposition is believed certain. Already retail merchants associations in the west are seeking appointments with the board to present the other side of the picture.

As forecast in The Post, this poultry scheme has indicated a way of escape from the difficulty of holding votes of the producers affected by proposals of this kind. Under the law it is not the business of the Marketing Board to say if a poll of producers will be held. The board recommends or condemns a scheme and gives its advice to Hon. Robert Weir, minister of agriculture. It is the job of the minister to decide if a vote shall be taken and, if so, the majority which may be necessary to validate or invalidate a scheme.

Approve Three Schemes

To date, the Marketing Board has approved three schemes—the export apple and pear scheme, the British Columbia tree fruit scheme, and the British Columbia red cedar shingle scheme. The first two were put into immediate effect but a stipulation was made that they must be approved next spring by a ballot of the producers affected or they will lapse.

The shingle scheme goes into effect at once and there is to be no vote either now or in the future. The reasons here have not been made public but may be guessed. Seventy-five per cent of the shingles produced in British Columbia are exported to the United States and this export market has been menaced by reason of the fact that one or two manufacturers have not been overly careful to adhere to the N.R.A. code. There is a danger of Washington penalizing the whole British Columbia industry because one or two producers are not careful in this regard.

Control Shingle Exports

Therefore, the industry as a whole has sought a marketing board which will make absolutely sure that the United States' market is not wantonly endangered. So far as can be learned, Canadian consumers will not be affected in any way.

The decision of the board to issue the text of the poultry scheme in advance of the final recommendation is a distinct step toward the British marketing act practise and it is one which is likely to be regarded as a precedent to be followed in the future. The poultry scheme as revealed in the official text does not differ essentially from the summary published in The Post two weeks ago.

Many Schemes On Hand

In addition to those already mentioned the Marketing Board has several important schemes on hand and others are in preparation by various groups of producers.

Most important of the schemes now under consideration is that of the tobacco growers. The text of this scheme has not been made public but it is learned that the board is making every effort to line up the entire industry. The proposals of the growers are being modified at the suggestion of the manufacturers and it is hoped that when finally announced, the tobacco scheme will not be controversial. Difficulties in bringing the manufacturers into agreement with the growers account for the delay in dealing with this scheme.

The dry salt herring and salmon producers of British Columbia have proposed an export marketing scheme to the Board. As the scheme is restricted to exports the Board does not appear to regard it as controversial and, in all probability, it will be recommended to the minister in the near future.

Others Proposed

The livestock scheme proposed by the livestock co-operatives of the three prairie provinces will not be proceeded with for several weeks. This scheme will affect the livestock industry only in these provinces.

An important butter scheme is under preparation by the National Dairy Council, but it has not yet reached the Marketing Board. An outline of this proposal has been given in The Post.

Other schemes now being discussed by producers relate to potatoes, beans (in Ontario only) and milk (in British Columbia only).

Producers Organize

From Our Own Correspondent

WINNIPEG.—It is evident that the proposed organization of all poultry products in a single marketing agency under provision of the Natural Products Marketing Act is going to meet with a good deal of opposition, and will not get established without much more trouble than seemed probable when such a plan was first known to be under way.

The Retail Merchants Association of Manitoba has received assurance from the Marketing Board at Ottawa that the scheme will not be approved until interested parties should be heard from. In the meantime, commercial egg producers in the vicinity of Winnipeg are beginning to organize in opposition to being forced into the pool, and have already held one meeting of protest.

Needs Provincial Sanction

It is understood that, if in spite of opposition, the scheme should be approved at Ottawa, it would be made effective, so far as the Dominion government powers go, by Order-in-Council and publication. But before the scheme could function effectively it would be necessary to acquire authority from the provincial governments under their marketing acts.

Such authority can be conveyed, but only after a vote of producers has been taken, or in the alternative, after the provincial government has declared no vote to be necessary. It is thought very unlikely that the provincial government would dispense with a vote, since upon its shoulders and not on those of the Dominion government, the results of any subsequent dissatisfaction would rest.

While the poultry pools of Manitoba and Saskatchewan, it is understood, experienced no difficulty in arriving at the details of the scheme which they wished to submit under the Marketing Act, considerable difficulty has been experienced by different livestock organizations which have been attempting to work out some plan for the control of livestock marketing under the act.

Representatives from different provinces have found it totally impossible to agree on details, and a Saskatchewan group is now understood to have submitted a scheme to Ottawa for approval which has not been endorsed by any organization in either of the other provinces.

A co-operative livestock marketing organization which formerly functioned in Alberta lately went into dissolution. In that province the government has constituted a committee of representatives of different branches of the livestock industry which is to consider possible schemes under the Act. Members of the Manitoba co-operative livestock marketing organization are understood to prefer, instead of immediate action, waiting to see how the egg and poultry scheme will work out.

B. C. Gold Production

British Columbia gold production for eight months this year is close to 200,000 fine ounces, according to Provincial Government figures. This at a current level of $34.50 per fine ounce would have a value of approximately $6,900,000 in Canadian funds.

DIVIDEND NOTICES

Blue Ribbon Corporation Limited

NOTICE is hereby given that a dividend of Fifty Cents (50) per share on the preferred shares of the Company has been declared payable on and after November 1st, 1934, to shareholders of record on October 25th, 1934.

DATED at TORONTO this 17th day of October, 1934

J. C. JAMIESON, Secretary.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that the regular quarterly dividend of 25 cents per share on the Class "A" shares, and the regular quarterly dividend of 25 cents per share on the Class "B" shares of the company, have been declared for the quarter ending November 30th, 1934, payable on December 1st, 1934, to shareholders of record at the close of business on November 14th, 1934. Payment will be made in Canadian funds. The transfer books will not be closed.

By Order of the Board.

D. URQUHART, Secretary.

Toronto, October 17th, 1934.

The Shawinigan Water & Power Company

Notice is hereby given that a dividend of twelve (12c) cents per share has been declared on the no par value common shares of the Company for the quarter ended September 30th, payable November 15th, to shareholders of record October 25th, 1934.

By Order of the Board,

JAMES WILSON, Secretary.

Montreal, October 17, 1934.

What Are the Newspapers Saying?

No business man has the time to read hundreds of papers daily; to search their pages for informative data relative to himself or his business.

Our Bureau would bring that service to you daily keeping you constantly and up-to-dately informed of all new developments affecting your business field.

Write us to-day of your requirements.

CANADIAN PRESS CLIPPING SERVICE

481 University Ave., Toronto 2

War On Waste

ONTARIO will show a heavy deficit on current account and much heavier relief outlays in the year ended Oct. 31, according to preliminary reports.

It is claimed that a substantial portion of the deficit is due to extra expenditures prior to the provincial election last June.

Next year there will be a federal election. If precedents set by both parties are followed, there is a possibility that an "election budget," which means one in which unbusinesslike concessions are made and the budget position worsened, may result. The historic "pork barrel" lure to voters is likely to be less effective than in the past at a time when the electorate understands the need for governmental economy. It is to be hoped that this country will avoid the waste involved in this method of attempting to buy votes.

ALBERTA POLITICS DEEPLY CONFUSED AS VOTING NEARS

Government's Strength is Plethora of Other Parties

SOCIAL CREDIT

Apostles of Douglas Scheme Split—Liberals Are Chief Opposition Group

From Our Own Correspondent

EDMONTON.—There will be a provincial election in Alberta within the next twelve months because the present legislature was elected in June, 1930. The Reid administration is keeping its own counsel as to election plans, but it seems almost certain that another session will be held before dissolution. The best guess is that the government will seek a renewal of mandate next spring. In the meantime, the government will seek to heal divisions in its ranks and see how far it can succeed in establishing some sort of working alliance with the Social Credit party, which threatens, or promises, at the moment, to contest most of the rural ridings of the province.

Difficult to Forecast

Viewed from any angle, the political situation in this province is highly complicated and it would be foolish at this distance from the election to make prediction as to the outcome. The present farmer administration has been in office since 1921 and has been led by three premiers, Greenfield, Brownlee and now Reid. Like nearly all administrations which have been in power a long time, the U. F. A. Government has developed antagonisms within its own ranks and in a noticeable degree it has exhausted its legislative initiative. It has greatly increased the public debt of the province, wherein it does not differ from Liberal and Conservative governments elsewhere. When it entered office the provincial debt was roughly $63,000,000; today it is well over $140,000,000. It has steadily increased taxation. In 1921 the revenue amounted to $8,486,946 while in 1933 it had advanced to $15,426,264. Expenditures advanced in the same period from $10,605,155 to $17,533,785. The public debt has more than doubled since 1921.

Social Credit Sentiment

The U. F. A. Government has always enjoyed a close alliance with the political element of Labor. As soon as the Co-operative Commonwealth Federation showed signs of growth, a resolution to effect an affiliation with the new political party was carried at the annual U. F. A. convention held in Calgary over two years ago. It is no secret that the leaders of the U. F. A.—C. C. F.—Labor party are now angling for support of the believers in the Social Credit system, whose main apostle is William Aberhart, a Calgary school principal and head of the Calgary Prophetic Institute, who has been carrying on a vigorous radio campaign every Sunday afternoon for many months on behalf of the thesis that every adult in the province should be given a cash dividend every month. This system, which confers something for nothing on everyone, has found many supporters in the rural districts and is not without keen followers in the urban centres, which is quite natural in these hard times.

The government has nothing so pleasant to offer the electorate and is frankly worried about the growth of sentiment in favor of Social Credit. It is making discreet advances to the new group. Showing which way the wind is blowing is the fact that Hon. Irene Parlby, minister without portfolio, announced some time ago that she would not be a candidate in the next election, but would support a Social Credit candidate.

At Odds With Douglas

Of course, everything is not smooth sailing for the Aberhart party. Their system of Social Credit is not strictly orthodox in the eyes of those who believe entirely in Major Douglas, founder of the system. When in Alberta, Major Douglas declared that Social Credit could not be applied to one province alone but would have to be tried out on a Dominion-wide basis. This view is supported by a large number of earnest minds who first helped to launch the movement in Alberta, and they now refuse to continue on the Aberhart bandwagon. This means they may be counted on as his opponents. There is a similar revolt in the government's ranks. Thousands of farmers were alienated when the U. F. A. affiliated with the C. C. F. They are afraid of land nationalization and the wider elements of Socialism sponsored by Mr. Woodsworth and his lieutenants. They would likely return to their old political allegiance when voting time comes, because before 1921 they were either Liberals or Conservatives, and many of them have continued to vote that way in all federal elections.

The new Premier, able and sincere, is not an outstanding speaker nor an effective house leader when compared with Mr. Brownlee. The new blood in the cabinet is not of superlative quality. Mr. Brownlee has gone into private law practice in Edmonton and of course is available as a friend and mentor to Mr. Reid. He is still a member of the legislature and it would not be surprising if he were called on to act as a chief government speaker in what is certain to be a stormy session.

Liberals and Conservatives

The Liberal party has thirteen members in the House and constitutes the chief opposition group. Liberal successes elsewhere in the Dominion have inspired a fighting and confident mood in the party ranks in Alberta, but it will be a herculean task to oust the present administration. Nothing less than a great popular uprising such as Ontario witnessed recently will turn the trick. On the other hand, the prospects of a Conservative victory are even more remote. Five of their six members come from Edmonton and Calgary. They have failed to make any headway in the rural districts in several elections. However they have drawn up a comprehensive platform and propose to run a large number of candidates, which will not be of any assistance to the Liberals in seeking to defeat government nominees.

According to present prospects, there will be government candidates, Social Credit candidates, Liberals, Conservatives and Independents in the field, and Labor will, contest the urban ridings under its own banner. It will be a pretty melee and anything may emerge from it. At this early stage, it seems the most reasonable prediction that the coalition government will win. The more the opposition sentiment is split, the greater the chance to slide back into office once more. Even in the present legislature, it rules on a minority popular vote.

MINIMUM WAGES PROTESTED IN B. C. BY MILL OPERATORS

Claim High Wages Place Them at Disadvantage in Export Trade

From Our Own Correspondent

VANCOUVER.—Lumber production in British Columbia continues to increase, and it is estimated by government officials that more than 2,000 men have been added to the payrolls of sawmills and logging camps during the past season. Markets continue to be able to absorb lumber and logs, although prices are still low, and the tendency to increase wages is regarded as a threat to profitable operation. Operators are protesting against enforcement of the minimum wage legislation which they claim has imposed a severe handicap on the industry.

Although British Columbia has gained a strong foothold in Empire countries because of preferential tariffs, the high cost of lumber production in this province has prevented much progress being made in other fields, with the exception of the Orient. British Columbia is able to outsell the competing states of Washington 23 to 1 in Empire markets, but in foreign fields the American mills still lead British Columbia by a ratio of 3 to 1.

Domestic Demand Dull

Domestic demand for B. C. lumber has been extremely dull. The prairies have failed so far to place worthwhile orders on the coast, and eastern Canada appears to be buying elsewhere. Coast lumbermen blame the minimum wage law and hours of work restriction on this coast for this situation. They point out that the prairie and eastern provinces do not have the same severe labor legislation that British Columbia mills have to contend with, and that in many forest regions in the east wages are 50 per cent of those paid here.

The same factor is important when considered in terms of world trade. Although B. C. has increased her sales to the United Kingdom, her business there represents less than 10 per cent of the total importation of lumber by the British Isles. Even with the preferential tariff, the transportation costs and higher cost of production in British Columbia have offset this advantage to some extent and diverted the bulk of the trade to the Baltic countries.

Long Way to Go

British Columbia has a long way to go before she can pick up all the slack in the world lumber market. In the past few years Canada's consumption of B. C. lumber has declined 60 per cent and, due to high tariffs, the United States buys only 10 per cent of the lumber that previously went to that territory. Consumption of lumber in British Columbia alone has dropped 50 per cent.

British Columbia has made steady gains so far this year. The gain in production during the past nine months has been 30 per cent, according to comparison of the log scale figures.

As a measure of relief for unemployment, the British Columbia government has authorized the export of 30,000,000 feet of hemlock logs from the Prince Rupert area. This is in direct variance with the previous policy of prohibiting all log exports as a conservation measure to provide a maximum of business for B. C. sawmills.

LAURA SECORD NET PRACTICALLY SAME AS PREVIOUS YEAR

Earns $3.77 Per Share Against $3.79 in 1933

DENY STOCK SPLIT

Working Capital Improved—Current Assets Outvalue Fixed By Over Five to One

Laura Secord Candy Shops Ltd., earned $3.77 per share on the common stock for the year ended Sept. 30, 1934, or two cents per share below that of the previous year. This was slightly less than anticipated and indicates that the improvement in sales reported toward the end of the year was not as pronounced as expected. A net profit of $216,687 was reported as compared with $218,037 for 1933. This year, for the first time, figures covering depreciation, taxes, etc., are given in detail.

Deny Split

Rumors of a split in the company's stock, similar to that of the controlled Fanny Farmer candy chain, are officially denied. Recent activity in the stock (it touched $59 per share a few days ago) is interpreted as indicating simply the good earnings of the company. The Financial Post is informed that there has been absolutely no discussion of any changes in the capital stock.

As far as income is concerned the report just issued by the company is practically a repetition of the previous year and indicates that sales have been well maintained though definite figures in this respect are lacking. After dividends a surplus of $44,187, or slightly more than a thousand dollars less than that of the previous year was transferred to the general surplus which was increased to $1,090,594.

Income and Surplus Account

Years Ended Sept. 30

	1934 $	1933 $
Net earnings	205,812	......
Add: Inc. from invest.	70,899	......
From sale of invest. & assets	26,202	......
Less: Deprec.	41,632	......
Income tax	44,594	......
Net profit	216,687	†218,037
Less: Dividends	172,500	172,500
Surplus for year	44,187	45,537
Add: Prev. surplus	987,043	945,506
Res. writ. back	59,364	......
Less: Inc. tax pr. yrs.	......	4,000
Balance carried for'd.	1,090,594	987,043

† After all operating expenses and provisions for bonus, depreciation, income taxes and depreciation in market value of bonds and reserve against investment in associated company.

Current assets were up substantially from $1,568,833 in 1933 to $1,744,641. The change was almost entirely due to the strengthening of the cash position from $67,462 in the previous statement to $239,828. This improvement resulted from the sale of a block of approximately 3,000 shares of Fanny Farmer preferred stock, it is understood, the bulk of which was redeemed at $38 during the past year. Previously this stock had been carried in the fixed assets and by 1933 had been written down to $48,781. At the redemption price, however, it would be worth well over $100,000 and to this was added further cash from the favorable sale of some of the government securities held by the company.

Government and industrial bonds at $1,402,646 were up slightly from a year ago, and inventories at $102,166 were down about $10,000.

Current liabilities of $40,017 or practically the same as a year ago, consisted almost wholly of a reserve for taxes. Working capital was $1,704,624 as against $1,528,833.

Working Capital

	1934 $	1934 $
Current assets	1,744,641	1,568,833
Current liabilities	40,017	40,000
Working capital	1,704,624	1,528,833
Ratio	43.60—1	39.22—1

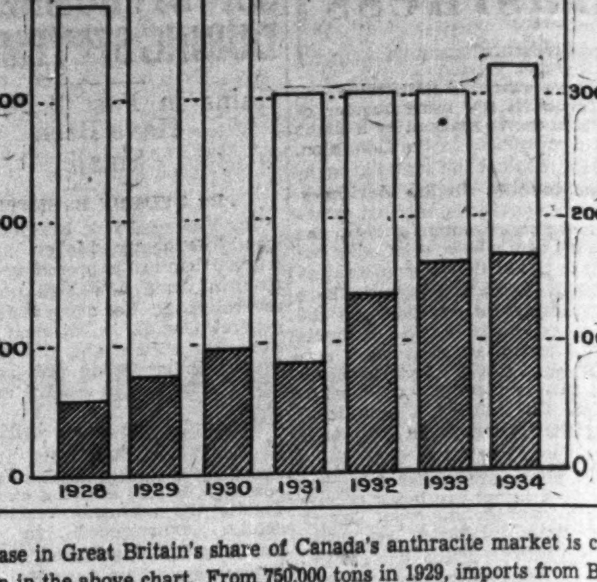
In fixed assets there was very little change. Land, buildings and equipment, less reserves at $264,929 were down nearly $30,000 from a year ago while there was a small increase in the investment in Candyterias Ltd.

Strong Position

Of total assets of $2,035,075, over 85 per cent made up of current assets and of the latter, amounting to $1,744,641, all but $102,000 was reported as cash, and government and public utility bonds at book value, which at today's prices would be very considerably below the market value.

In the annual report to the shareholders Frank P. O'Connor stated that earnings of the subsidiary company, Candyterias Ltd. were satisfactory and that the number of retail outlets for this lower priced candy chain had been increased to 11, five in Ontario and six in Quebec. He also stated that the number of Laura Secord employees had been increased and there had been no reduction in wages.

U. K. Supplying More Anthracite



Increase in Great Britain's share of Canada's anthracite market is clearly shown in the above chart. From 750,000 tons in 1929, imports from Britain had risen to 1,600,000 tons last year and appeared headed for the same total in 1934.

British Anthracite Imports Show Material Increase

Although no tariff reduction accompanied the preference given to Britain with respect to anthracite coal at the Ottawa Conference, Britain has benefitted considerably through the higher general tariff imposed at that time. Since 1931, imports of anthracite from Britain have more than doubled, the increase being at the expense of the United States.

Prior to 1932, the annual average of imports of anthracite from Great Britain was about 750,000 tons. In 1932, exports had increased to 1,390,000 tons, while in 1933 and this year imports were approximately 1,600,000 tons.

While it is admitted that the increase in the general tariff, under which United States anthracite enters Canada, has been responsible for allowing British coal to sell in Canada at a competitive price, members of the coal trade told The Financial Post that the increasing use of furnaces with blower attachments had also helped materially to increase demand for Welsh coal. Definite superiority over American coal was claimed for Welsh anthracite for blower purposes.

Kemp Named Assistant Dominion Stores Head

From Our Own Correspondent

MONTREAL.—J. Colin Kemp, for many years associated with the Montreal office of the National City Co., has been appointed to the position of assistant to the president of Dominion Stores. Mr. Kemp will make his headquarters at the Montreal offices of the company.

Form New Association To Weld Tariff Groups

Formation of a new underwriters' association having jurisdiction over all classes of insurance, except life and ocean marine, is a move toward enforcement of the controversial non-intercourse or "in one in all" rule, The Financial Post understands. It is believed that the new association, which was originally named the "Dominion Insurance Underwriters' Association," will take the place of the Dominion Board of Fire Underwriters—with extended powers, of course—and will be renamed the Dominion Board of Underwriters.

Present tariff associations will maintain their identity and operate as at present, but with the assistance and guidance of the new association. It is felt that, with the assistance of the Dominion board, enforcement of the non-intercourse rule, which is at present apparently unenforceable, will be possible.

At a recent meeting held in Toronto to amend the constitution of the Dominion Board of Fire Underwriters, the executive of the new association was elected, as follows: Colin E. Sword, Union of Canton, president; John Jenkins, Employers' Liability, first vice-pres.; J. H. Riddel, British Crown, second vice-pres.; A. H. S. Stead, Montreal, manager.

The following were elected members of the council: John Holdroyde, Commercial Union; W. E. Baldwin, Continental of N.Y.; C. E. Sanders, Atlas; C. S. Malcolm, Royal Exchange; T. H. Hall, General Accident; W. R. Houghton, London & Lancashire; R. L. Stailing, Sun; H. C. Mills, Insurance of N.A.; J. P. A. Gagnon, Union of Paris; W. E. Findlay, Springfield; E. J. Kay, North British & Mercantile; and B. W. Ballard, Hartford.

Tremendous Swing of Advertisers to use of Leading Trade Newspapers

ONE of the most noticeable of recent trends in advertising practice is the tremendous swing of prominent advertisers to the use of good trade papers. Even a brief inspection of the pages of recent issues of such trade papers reveals the truth of this statement. Many advertisers who for years confined their efforts almost entirely to the consumer field, have swung very definitely into trade newspaper advertising—many of them on an elaborate scale.

Most of the leading advertising agencies have found through contact with mercantile firms whose advertising they handle, that many leading manufacturers and distributors have definitely come to the conclusion through recent experience that the retail trade must be kept fully informed at all times regarding the activities of such companies, the lines they are marketing, the selling points of their merchandise, and reasons must be given why the retailer and wholesaler should purchase those products.

These are days of very discriminatory buying on the part of retailers and wholesalers. So much merchandise is available in this era of mass merchandising and so many competitive lines are available, that the retailer and wholesaler who buys for his community requires all possible information so that he may buy intelligently. Leading manufacturers furthermore have come to the conclusion that the first step in nation-wide distribution is to have stocks of their product available in retail stores throughout the country. Putting these two factors together, it is not difficult to see why, in this age of highly specialized business, advertisers have swung definitely to the use of good trade papers as a medium through which to inexpensively keep the salesmen of their product inspired and informed concerning their line.

Another very important reason for this trend has been the high standard of editorial excellence maintained by leading trade papers throughout the depression. At a time when business men, going through a severe testing period, have required more and more specific business information, leading trade papers have risen to the occasion and supplied that demand by an even more extensive and practical service than ever before.

For the same reason that public libraries report a tremendous increase in the reading of educational books during the depression, retailers and wholesalers have turned to their leading trade papers with a keener appetite for practical business information and news of help to them in their business. This has developed a higher degree of reader interest in good trade papers than ever in the past.

Another trend which becomes evident on closer survey is that while hundreds of leading advertisers are definitely swinging to the greater use of trade newspapers, it is also evident that they are not using every trade newspaper available. A great deal more sanity is evident in selecting advertising media. Advertisers are showing the same discrimination in their purchase of advertising space as are retailers and wholesalers in the purchase of merchandise. There are still varying degrees of value in trade paper space and it is quite evident that advertisers are more definitely distinguishing between those values in the placing of their advertising than ever before.

Many prominent advertisers are finding that for a reasonable expenditure they can do a worthwhile job by using the leading trade paper in the field and concentrating their efforts in it.

A review of leading United States trade newspapers reveals that a large number of national advertisers using these papers are doing so in a very big way with the use of color, spreads, special sections and inserts. It is also evident that they are putting a great deal of time and effort into the preparation of their copy. This development is exceedingly interesting. In England the trade newspapers have been a tremendous factor for many years and have occupied a premier position in the advertising world. English trade newspapers have a reputation the world over for their size and for the large number of regular advertisers who occupy their pages.

This development in both England and the United States is now finding a counterpart in Canada where leading advertisers are realizing that not only are good trade papers an essential part of any well-rounded advertising campaign, but that they have available to them in Canada trade papers equal to the best available anywhere in the world.

Many firms which in the past have used extensive campaigns in consumer publications without any adequate tie-up with the actual buyers and distributors of their products in the communities throughout Canada, are now turning to the use of trade newspapers in increasing numbers, so there will be no weak link in their efforts.

These papers offer big advertising value in their respective fields:—

Hardware and Metal
Bookseller and Stationer
Drug Merchandising
Dry Goods and Stylewear Review
Le Prix Courant (Printed in French)
Canadian Grocer
Sanitary Engineer
Men's Wear Merchandising
General Merchant of Canada
Canadian Paint and Varnish Magazine

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks of foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Prospectus Requirements Can Be Stiffened At Once

Colonel Drew Advises Ontario's Attorney-General Roebuck to Make Effective by Order-in-Council Important Clauses of Dominion Companies' Act—Other Provinces Have Same Power

Colonel George A. Drew, before his dismissal as Securities Commissioner of Ontario, told the attorney-general, Hon. A. W. Roebuck, how the important prospectus provisions of the Dominion Companies Act could be adopted at once without months of weary waiting for the legislature to act. In a letter dated September 17 he pointed out that it was possible under the Ontario Companies Information Act for the Ontario Government to ensure at once by regulation much more adequate financial and other details than have ever hitherto been required in prospectuses of Ontario companies. This could not be done before October 1 when the Dominion Act became effective.

This is most important as it is extremely probable that other provinces have similar legislation which would make it possible for uniformity to be obtained practically all across Canada within a few weeks in this matter if Governments would do it. Important changes would be necessary in the provincial acts at the meeting of the next legislatures to secure complete uniformity. Most provinces may in the meantime, however, follow out Col. Drew's suggestion to make prospectus clauses of the Dominion Companies Act effective with regard to provincial companies.

The Ontario Government followed the suggestion of Col. Drew that the Dominion Companies Act provision against sale of securities at residences, either by personal call or by telephone, be put into effect by order-in-council. That suggestion was made in the same letter of September 17.

Complete Information Wanted

With respect to the prospectus provisions the letter says:

"The provision of the Dominion Companies Act which has received probably the most favorable comment is the part requiring very complete information in the prospectus.

"Regulation 30 under the Securities Act requires that, with certain exceptions, a trade shall not be completed until a copy of the latest prospectus of the security issuer, filed under the provisions of the Companies Information Act, has been delivered to the person to whom the securities are being sold.

"Under the Companies Information Act, it is possible to change the requirements in regard to the details that must be furnished in a prospectus, by regulation.

Woefully Inadequate Now

"I am satisfied that the main consideration in the protection of the public is the information that is furnished at the time of the sale, and so long as such information is furnished, the principle of caveat emptor must to some extent apply. The present requirements in regard to the prospectus required under the Companies Information Act are woefully inadequate.

"I would suggest therefore that the prospectus provisions of the Dominion Companies Act be adopted word for word as far as possible, and that an order-in-council be passed not later than October 1, at which time the Dominion Companies Act comes into effect, requiring such information to be filed in the usual way. Under Regulation 30 then, it will be necessary for copies of such prospectus to be delivered before a sale of securities is completed.

"This will avoid confusion in regard to the prospectus which must be furnished in the case of a Dominion company, and from the practical point of view, it does not seem to be advisable to impose prospectus requirements more severe than those now enacted under the Dominion Act, in view of the question of conflict of jurisdiction that might arise, at least, until the general amendments to the Securities Act are dealt with."

Enquiries

Canada Bread

Please give me some information on Canada Bread Co.

You do not state whether you hold the first mortgage bonds, the first preference stock, the second preference stock or the common shares of Canada Bread Company. Cut-rate competition in the baking industry in various parts of Canada and especially in Ontario and Quebec where this company operates, since 1930 cut deeply into the earnings of this company. It has, however, in every year been able to earn bond interest after depreciation. It earned more than double the first preferred dividends to the year ended June 30, 1932 and paid those dividends until the year ended June 30, 1933. It also paid dividends on the Class B preferred stock until the year ended June 30, 1933 but these dividends have not been earned since 1929. Common dividends were paid to the year ended June 30, 1931 but have not been earned since 1929. Class B preference shares and common shares participate equally in any further distribution of dividends after providing for full dividends on first preferred and seven per cent second preferred. That is, one half the further dividends declared are to be distributed among Class B shares and one half among no par common.

In a letter dated February 2, 1934, C. H. Carlisle, president, made public a study of the whole situation, which showed the company to be materially over-capitalized. It has had and still has an over-plant capacity. Company-owned property, which has not been used since 1911, includes buildings valued at $44,000 and lands valued at $197,000. These properties are now on the market for sale.

Canada Bread Company is the largest baking company in the province of Ontario. During the last three years, nearly every line of business has suffered under adverse conditions and the bread industry was no exception. Sales of the company are stated to have been increasing.

In a report to shareholders for the year ended June 30, 1934, A. V. Loftus, general manager, stated that decided improvement had been shown, indicating that the company was definitely on the up-grade. Results of the first six months were disappointing and there was a net consolidated loss of $59,205 and in the second six months a profit of $85,342 was earned. This has been reduced by subsidiary losses to $29,486.

"Coming American Boom"

I enclose newspaper article referring to Major L. L. Angas's book, "The Coming American Boom." If this is true prophecy, would it not be a good thing for me to get in on common stocks of big American companies which are at present quite low? What would you suggest and will this affect Canadian stocks in the same way? If so, what Canadian stocks would you recommend?

In the first place, The Financial Post does not answer questions concerning securities which are not listed or widely held in Canada. It concentrates on Canadian companies and Canadian securities and builds up as complete files as possible on these in order to give readers and those enquiring about investments as reliable information about earnings and trends as possible.

In the second place, the rules for answering enquiries on this journal preclude giving recommendations either to buy or sell securities.

Facts and trends affecting securities are assessed and it is hoped that these will aid investors in coming to conclusions. That is the investor's responsibility and he should rely on his own judgment as to the sufficiency of available facts and as to their bearing on his problems.

Major Angas's book and its conclusions have severe critics. For instance, The Annalist (New York City) reviews the book partly in these terms: "Of all the weird things that have been written about the stock market and economics in general since the depression began, this takes the prize, or at least deserves honorable mention. According to a definition which received widespread circulation via the underground railway recently, a broker is one who begins by knowing nothing about everything but gradually learns more and more about less and less, and finally knows everything about nothing at all, whereas an economist is one who begins by knowing everything about nothing in particular but gradually learns less and less about more and more, until finally he knows nothing about everything. Major Angas does not fit either of these definitions because he quite obviously knows everything about everything, including such unknowable things as the mental processes by which the president of the United States arrived at his decisions regarding important steps in his recovery programme.

"There are so many things wrong about this pamphlet that it would be impossible to call attention to even a small fraction of them, or to state which error is more serious than another."

The Annalist proceeds to quote from Angas's book to illustrate its view that the book is full of mistakes, even "ridiculous" mistakes. As these refer mainly to the American scene they are not quoted here, as they do not affect Angas's main contention. Most people hope he is right to the extent that they would like to see a healthy revival of business short of a boom. But usually shrewd business men on the spot are not basing their expansion programmes on any such event. In other words, they see perils as well as hope.

Banks and Inflation

Can you give me some information as to how an inflation would be likely to affect investments in bank shares?

The course of prices and dividends for French banks during the inflation in that country following the war is probably one of the best guides as to what is likely to happen to bank stocks during an inflation period.

In 1924 shares of Credit Lyonnais of 500 francs each had a high value of 1,750 francs and a low of 1,465. The price showed a steady upward trend and in 1928 the high price for the shares was 4,895 francs and the low 2,730 francs. Over the same period the shares of Banque de Paris moved from a peak value of 1,800 francs in 1924 to a high of 5,500 francs in 1928. The 500 franc shares of Comptoir Nationale D'Escompte had a maximum value of 1,030 francs in 1924 and of 2,785 francs in 1928.

From this, it is apparent that the price of bank shares tends to move upward in an inflationary period. In Germany, however, where the mark became worthless, the rise in the price of bank shares naturally could not offset the complete demoralization of the currency.

Although the value of the French bank shares increased during the inflation, dividends did not grow as quickly. For instance, in 1925 Credit Lyonnais paid 16 per cent and in 1927 18 per cent. Banque de Paris paid nine per cent in 1925 and twelve per cent in 1927. Comptoir Nationale paid twelve per cent in 1925 and sixteen per cent in 1927. This increase in the dividend rate was not nearly as great as that in the value of the shares, and the income of investors in the shares was substantially reduced in real purchasing power.

Northwestern Utilities

I would like to ask your opinion of Northwestern Utilities Ltd. Is the supply of gas likely to hold out for at least 15 years? Do the participating prior preference shares come in ahead of the first mortgage bonds in case of liquidation? As you are no doubt aware the company is issuing 15-year first mortgage 6 per cent bonds to retire the present issue of 7 per cents bonds due in 1933 giving a premium of 5 per cent on such exchange. The new bonds pay 7 per cent to 1938, the due date of the old bonds.

In your opinion would you make this exchange?

Northwestern Utilities has had a 20-year franchise to distribute natural gas in Edmonton since November 16, 1915, subject to renewal in perpetuity for successive five-year periods and to a right of purchase by the city at the end of each period. It distributes as well to other communities in Northwestern Alberta.

The company produces gas principally from its own wells in the Viking gas fields and distributes the gas through its own system of pipe lines. The Viking fields had an estimated original content of 60,000,000 M cubic feet of gas and cover a proven area of 27 square miles.

The company had in 1924 a daily open flow capacity available of 48,000,000 cubic feet from ten wells. By 1931 the daily open flow capacity available was 110,600,000 cubic feet from 22 wells. In that period the rock pressure dropped from 735 pounds to 607 pounds. Information has not since been available as to rock pressure.

In a report dated March 14, 1934, covering the gas reserves available to Northwestern Utilities Ralph E. Davis states his belief that the Viking field reserves are sufficient in quantity for more than 15 years operation. He states this belief but notes further that it is impossible to determine the extent to which water encroachment may be supporting pressures in the field and thus permitting possible over-estimates of remaining reserves. He believes, however, the Kinsella field, since explored by the company, to be larger than the Viking field. Including the Kinsella field, gas reserves proven and available he therefore believes to be sufficient for a period of more than 30 years.

Sooner or later capital expenditures face the company. The main pipe line from the Viking field has proved inadequate and there remain 40 miles of a parallel line to construct. Also a line 12 miles long to connect the Kinsella field with the Viking field will be necessary at some time. Both these undertakings will require a total expenditure of $1,500,000 ultimately.

One of the reasons why Dominion Gas & Electric reorganized a year ago and secured a change in the indenture underlying the Dominion Gas debentures was to permit this financing. It was provided under the 7 per cent issue due 1938 of Northwestern Utilities that the sinking fund should be built up by payments to it of 6 cents per thousand cubic feet of gas sold up to 1933 and 7 cents in 1934 and thereafter. This required $294,000 in 1933 and larger amounts would be called for after that date. This was felt to be too heavy a drain on funds and it was felt that an issue at a lower interest rate and with lighter sinking fund requirements should take its place. New issue provides for retirement of 60 per cent of bonds by maturity in 1949.

The issue to be retired totalled $2,231,100. An amount of $250,000 7 per cent three-year notes may be added as this is the means taken by the company to pay the cost of financing.

The six per cent prior preference shares would come after the bonds in case of liquidation, the only privilege of the holders being to prevent the issue going beyond authorized amounts of prior bonds up to $5,000,000 without a vote of three quarters of the prior preference stock in favor of it. The new bonds are a first charge on all company property and assets.

B.A. Oil Debentures

Will you give us a report on British American Oil, as I hold a $500 5 per cent convertible bond with maturity 1943 and 1944?

British American Oil 5 per cent convertible debentures were outstanding to the extent of $4,462,500 at the end of 1933. They had been reduced since 1930 from a total issue of $5,000,000. The interest on these debentures was earned 14.4 times after depreciation in 1933. It is understood that in 1934 earnings have been proceeding on at least as good a scale.

The company is well managed, is expanding in preparation for better times and has an excellent dividend record. The company did owe bank loans of $3,750,000 at the end of 1931 but these had been more than half paid off at the end of 1933. It has the right to issue further debentures to the extent of $5,000,000 if at any time it considers this desirable.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Diana Gold Mines

What is going on at Diana Gold Mines? I haven't seen anything about this company for some time.

Diana Gold Mines recently started production with a new 50-ton daily capacity mill working at one-half capacity. The property, formerly known as the Gem Lake Mines in Central Manitoba, is at present being extensively developed and surface discoveries of an interesting nature are being followed through. A contract for 10,000 ft. of diamond drilling has just been let as part of an exploration programme, according to company officials. Diana is a well-managed company and it has as consulting engineer, Douglas G. H. Wright. To date there has been about $5,000 spent on the property and there is said to be around 7,000 tons of ore on the dump ready for millfeed.

Silver King Mining Co.

I understand Silver King Mining Co. is a better prospect than Bralorne. I am a Mexican reader of your pages and would appreciate your opinion.

Silver King Mining Co. owns a silver-lead prospect on Treasure Mountain Summit camp, 22 miles from Tulameen, B. C. The property consists of two ten-year leases of five claims acquired by assignment from W. B. Dornberg, one leased from Capitol Mining Co., and the other from Cascade Consolidated Mining Co. The rental is one-fourth of the net smelter return from all ore shipped. Several carloads of ore were shipped in 1929 to the smelter; the first assayed silver 113 oz. to the ton, lead 40 per cent, zinc 19 per cent; other lots were a lower grade. In 1932 a ball mill was added to the concentrating plant erected in 1930. Practically all of the ore mined has been from No. 2 tunnel. In No. 1, the highest tunnel, only one side of the dyke has been developed. In 1932 about 130 tons of lead concentrates were shipped to the Trail smelter. None has been shipped since. The company which has an authorized capitalization of $300,000 with par value at 25 cents, has its office at Tulameen, B.C.

We can see absolutely no basis for comparing this silver-lead property with Bralorne Mines, which is an established producing gold mine and dividend-payer with definitely blocked out ore reserves approximating 25,000 tons. From an investment point of view the two companies have little or nothing in common.

Pacific Eastern Gold

I understand Pacific Eastern Gold Mines is a consolidation of a number of properties. What are these and what was the basis on which they were acquired?

Pacific Eastern Gold was formed to take over the property and assets of P. E. Gold Mines Ltd.; Dan Tucker Ltd. and Plutus Ltd. Under the terms of the merger agreement P. E. Gold received 2,000,000 shares, Dan Tucker Gold 500,000 and Plutus Ltd. 500,000. The property consists of 81 claims or over 3,259 acres along the Cadwallader Creek in the Bridge River area, B.C. Development work includes diamond drilling, test pitting and surface trenching, and driving a crosscut tunnel on the east end of the property on the 100 ft. level. It is currently being diamond drilled with an objective of 10,000 ft. of drilling. The company is a well-managed one and has as consulting engineer, Colonel H. H. Yuill. Of an authorized capitalization of 5,000,000 no par value shares, 3,500,000 are outstanding. Of these 3,000,000 were issued for the property described above and 500,000 shares were offered in May of this year by Doherty, Roadhouse & Co., Toronto, at $1 each to net the company 80 cents a share. As at April 16, 1934, the cash on hand was $140,000. The public offering in May provided additional $400,000.

Consolidated Ontario Gold

I sent 1,000 shares of Algonquin to be exchanged for Consolidated Ontario Gold Mines. I have received a certificate for only 100 shares. Is this correct?

When Consolidated Ontario Gold Mines acquired the property of Algonquin it was originally planned that the transfer would be made on a basis of 12½ Algonquin shares for one share in Consolidated Ontario Gold Mines. Directors of Algonquin strenuously objected to these terms, however, with the result that the transfer was made on the basis of ten Algonquin shares for one Consolidated Ontario. As a result, the 100-share certificate which you received for your 1,000 shares of Algonquin is correct.

Consolidated Ontario is at present inactive owing to financial trouble and is at the present time seeking money to continue development work.

Rackets

Racket: "A trick, dodge, scheme, game, line or business or action."—Shorter Oxford English Dictionary.

"Wonderful Opportunity . . ."

RECENTLY the old game of offering a job to those who will invest money with the company has been revived on an extensive scale. While undoubtedly there are genuine opportunities in this line, in a great many cases the scheme seems to be largely of a racket nature. Usually the bait consists of an advertisement in a local paper offering a wonderful opportunity to the young man of ability and integrity who is willing to invest from $1,000 to $5,000 in a well known concern. On investigation, however, the concern turns out to be well known only to the advertiser. Moreover, in some cases if the young man has not $1,000 a smaller amount may prove acceptable.

In scores of cases of this kind that have been investigated very often the young man is paid a few months salary out of the money which he contributed, but before the original sum is exhausted the company folds up and fades away.

In not a few cases there is a middle man involved. He usually receives a 10 per cent commission on the amount of money invested by the person introduced. Sometimes this is split with a fourth party who may aid in the rounding up of victims. While there have been exceptions, too often the investor not only loses the money put into the scheme, but also any services he gives the concern as well.

Commend Saskatchewan Local Government Board

Municipal Defaults Low Despite Depression — System Modelled on British Precedent

Saskatchewan's Local Government Board is given much of the credit for the small number of municipal defaults in a particularly hard-hit area of Canada. The Saskatchewan system is modelled on British practice.

The success of Saskatchewan is of particular interest at present because of the unsettled B.C. municipal situation and the heavy defaults in Ontario.

Centralized scrutiny of municipal finances in Saskatchewan and central control over urban and rural municipalities is divided between the Department of Municipal Affairs and the Local Government Board.

Department and Board

The Department of Municipal Affairs supervises the general administration, the keeping of accounts and passes on all proposed municipal amendments or legislation before submission to the legislature. The Local Government Board controls all debenture borrowings and supervises the investment of sinking funds.

Supervision of the Local Government Board of all proposals on part of municipalities to borrow through debentures has been an important factor in preventing Saskatchewan from a situation in municipal financing similar to that in Ontario. The scrutiny given to each proposal to mortgage the future has often meant the cutting down on the proposed loan and the eliminating of everything but essentials.

Inspectors Travel

The Department of Municipal Affairs has a general supervision, and through its inspectors, visits the office of each municipality at least once a year, when the general condition, including tax rates and tax collections are examined and reported on to the mayor, overseer or reeve, as the case may be, with suggestions as to how the municipal institutions might improve its services to the ratepayers. The reduction of tax rates may be attributed largely to the municipal councils and the ratepayers themselves who particularly in a time of stress desire to have the minimum of taxes levied.

In seven urban and 21 rural municipalities the Local Government Board is required to go so far as to examine the proposed estimated expenditures and rates for the current year. Thus the budget in each of these cases is submitted to the Local Government Board as a supervising authority, and approved or amended at its discretion.

Record Good

Notwithstanding the fact that Saskatchewan is an agrarian province and has had a large proportion of its wide areas severely hit by untoward crop conditions and in many cases by poor prices for farm produce, the municipalities have arisen to the situation and have hammered down proposed expenditures and tax rates.

Although collections have not been as good as in normal times, the default on debentures at the end of 1933 now in process of being tabulated by the department of municipal affairs promises to be not more than $4,500,000. Recovery on the prairies in matters of this kind is often rapid. Instances can be given where as the result of one good crop, with fair prices, debenture defaults extending over two or three years have been paid in full during one season.

Municipal tax burdens have been decreasing. Per capita taxation for general municipal and school purposes for 1932 and 1921 was:

	1932	1921
	$	$
Cities	36.34	51.70
Towns	28.35	47.37
Villages	17.81	24.08
Rurals	16.47	27.39

Percentage of tax collections in 1932, 1929 (a good year) and 1932 were:

	1932	1929	1922
	%	%	%
Cities	55.64	73.96	57.73
Towns	46.16	64.77	45.95
Villages	46.40	69.02	66.38
Rurals	29.08	63.06	58.55

Examine Records

The Local Government Board, in examining a proposal to borrow by way of a debenture issue, takes into consideration the record and paying ability of any local authority desiring to undertake a capital loan. As an example of this may be cited the ruling of the Local Government Board to the effect that lands responsible for the repayment of a rural telephone debenture must have the arrears of taxes paid in full to the extent of 85 per cent before the debenture is sanctioned. The principle applies in examining all applications and has had much to do with encouraging tax collections and in keeping down rates to the minimum.

Under certain conditions involving failure on the part of the local authority to pay its debenture or debenture coupons at maturity, the Local Government Board Special Powers Act gives the board jurisdiction to enquire into the affairs of any town, city, high school or town school district so failing to meet its debenture obligation

Can Hoist Council

Following such an enquiry the board has power to give such relief as found to be required and for the purpose may:

(1) Make orders along such lines as it may deem necessary in terms of the act.

(2) Ratify agreements between the local authority and its creditors, provided that the terms of the agreement are such as might be ordered by the board, or

(3) Recommend to the Lieutenant-Governor-in-Council the removal from office of the local authority and the appointment of an administrator to administer the affairs of the local authority.

During the time in which a local authority is under enquiry, or the jurisdiction of the board, such local authority must submit each year its annual budget and proposed rate of taxation for ratification or amendment by the board.

Watches Sinking Funds

The Local Government Board has additional duties in connection with the investment of sinking funds of cities, towns and town school districts. As a matter of fact no other class of municipal or school institution has authority to borrow by the sinking fund plan. However, no city, or town, or town school district may invest any of its sinking fund without first securing from the Local Government Board authorization so to do.

Particular care is exercised in sanctioning the class of investment selected for this purpose. Not in any case are sinking funds invested in real estate or mortgages. The law in Saskatchewan provides that the Local Government Board may take over the entire management of a sinking fund of a local authority. This has been done in more than one instance at the request of the local authority concerned.

Hears Appeals

The Local Government Board hears appeals from the court of revision on assessment values in Saskatchewan's eight cities. The determining of values at this period is no light task. In a general way no ruling of the board is subject to court appeal.

The genesis of the Local Government Board occurred in 1912 when the Union of Saskatchewan Municipalities, made up of representatives of cities, towns and villages, viewing their financial future with apprehension asked the provincial government to form an organization that would have some sort of control over their capital financing. The municipal officials had in mind the British Local Government Board system. The then Hon. W. F. A. Turgeon, attorney-general, now Mr. Justice Turgeon of the Saskatchewan court of appeal crossed the ocean and studied at first hand operations of the British system.

Followed Britain

When he reported back to the Saskatchewan Government of that day it decided to follow the British system as far as it applied to Saskatchewan. Three members were appointed to administer under the board and their appointments were for periods of 10 years. Appointments were made by the Lieutenant-Governor in Council and the members were removable only by the Lieutenant-Governor on address to the legislative assembly. The members of the board are politically independent.

When the board assumed its task on Jan. 2, 1934, the general situation was not serious but was shaping itself into a dark future for some municipalities. Numerous municipalities in boom days had mortgaged their future to such an extent they were greatly worried. Revenue was not keeping pace with expectations. Public utilities had been installed for larger populations. But the influx of people had ceased and there was no sign of its recommencing. Improvements had been made in subdivisions and there was no likelihood of their paying for themselves.

Real Test in 1916

The first real test occurred in 1916 when defaults appeared. The outbreak of war had of course affected the income of all municipalities. Then came the post-war depression which resulted in further defaults. In the meantime some of the boom days aftermath defaults had been cleared away. Conditions forced councils to cut expenses and as a result of insistent curtailment the province now rates low in the default column.

Moose Jaw Case

The most recent case in which the Local Government Board used its powers occurred when Moose Jaw, feeling the pinch, desired to use money from electric light trust fund account, established when the city sold its power plant to the National Light and Power Co.

Under a legislative act the city had a right to do this but it was stipulated the Local Government Board must first examine the city's financial position and future. As a result of this examination the city was allowed a sum approximately $100,000 for general purposes. The board did not want to see a capital fund account reduced but was forced to do so in this case. The city administration guaranteed to hold down its rates within reasonable bounds and to curtail expenditures.

Cut Expenditures

At the end of September, the eight month period of the city's financial year, the administration revealed estimated expenditures of $441,955 had been kept down to $385,085, a saving of $56,870. Revenues were estimated at $262,903 and $240,648 was actually collected, shortage of $22,255 but collections should show an improvement during the last four months of the year. During the summer months they are at a low ebb.

Another case which occurred in 1933 involved a rural municipality in default which set a high mill rate on 1933 collections. The board instructed the municipality to cut its expenditures in half and reduce the mill rate as far as it could. The result was that the municipality managed to reduce expenditures to one-quarter of what they originally asked and collected a good amount of tax arrears and practically the entire levy for that year.

This is the first of a series of articles describing methods of supervision of municipal finances in Canada. The next article will follow in an early issue.

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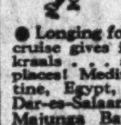

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Bank Chat on Current Topics

INTEREST rates on call loans on securities are being lowered by most Canadian banks from Nov. 1, in connection with the reduction of the rate on savings deposits.

Reductions are also being made in rates on some municipal loans. Vancouver, for instance, is getting its current budget loan at 4¾ per cent, as against the former five per cent rate.

The cut in the interest rate on deposits on May 1, 1933, was passed on to borrowers in the form of reductions of rates on some farmers' loans and on some municipal loans. But there doesn't appear to have been any definite move to reduce loan rates in general. The policy of banks is to make individual reductions to deserving borrowers.

* * *

Forgery or Theft

ONE Charles Kelly, of Montreal, has been haled to court at Montreal for endorsing and cashing a cheque for $7.11, the property of another Charles Kelly of Montreal. The allegedly offending Kelly is charged with forgery.

The question is whether a man can be guilty of forgery for signing his own name. Rather he should be charged with unlawful conversion to his own use of the property of another person.

Incidentally, it is not the first time that a cheque intended for one individual has got into the hands of another person of the same name. We recall that a few years ago a prominent Toronto merchant failed to receive a $500 monthly rent cheque from a tenant. The merchant had an unusual name; for purposes of illustration let us say Edgar Ruthburk.

A few days after the cheque was due, another Edgar Ruthburk walked into the merchant's office with the cheque. Honest man. The merchant thanked his namesake, but said: "For the life of me I couldn't call him 'Mr. Ruthburk'".

* * *

Outpost Bank

THE Bank of Montreal is the latest bank to get into the news as the opener of a new branch in a pioneer mining district. The office is at Bissett, Man., in the Rice Lake area. Bissett is the post-office for San Antonio Gold Mines. With a gold mine, a school and a bank, Bissett is an up and coming centre.

T. W. Tod, formerly stationed for the bank at Churchill, Man., tidewater terminal of the much-maligned Hudson's Bay Ry., is to be in charge of the Bissett branch.

* * *

Quick Recovery

THINGS boom quickly in western areas with a single good crop. The rush of grain deliveries to one small western centre was so heavy recently that bank branches temporarily ran short of currency. Merchants' seven- and eight-year-old bills, legally "outlawed," were paid.

The will to pay in the west is stronger than has been represented by some of the radicals who get in the headlines.

* * *

Knock For Towers

GOVERNOR GRAHAM F. TOWERS of the Bank of Canada gets the following unfavorable press notice in the Sherbrooke Record:

"We do not believe that Mr. Graham Towers has the necessary breadth of experience and travel, or even the qualifications to be entrusted with the dictatorial powers vested in him under the provisions of the Bank of Canada Act. The people of this country will rebel against such a dictatorship."

The Record suggests J. Greetham de Lorimier as a French-Canadian representative on the board of directors.

* * *

Stabilizing Money

PROFESSOR IRVING FISHER of Yale University makes his usual strong and reasonable case for control of the general price level, so that the dollar's purchasing power would be practically constant, in the current issue of The Rotarian. Few will disagree with the desirability of stable purchasing power, but many will wonder how it is to be attained. Unfortunately, Mr. Fisher does not explain satisfactorily the precise means by which the average of prices can be maintained at a constant level.

Mr. Fisher points to the use of the central bank discount rate and influencing of bank reserves as instruments for the control of the general price level. The fly in the ointment is that experience does not show that these and other means can be completely effective in stabilizing prices. While Sweden has had considerable success in price-levelling, it has been pointed out that this is partly due to the accident of comparative stability in Great Britain with which Sweden's currency is economically allied.

It seems probable that wars, panics, booms and all the weaknesses of the flesh will combine for many years to make difficult the task of flattening price curves. And then there is our old friend the gold standard, and other international currency relationships, which will not allow individual nations to manipulate their price levels at will; even if they could.

* * *

Staff Changes

The Canadian Bank of Commerce announces these staff changes:

B. STAGE, formerly manager at Parkdale, Toronto, to be an assistant secretary at head office.

A. T. ROY, formerly manager at Upper Town, Quebec, to be manager at Coaticook, Que.

D. M. KYDD, formerly manager at Truro, N.S., to be manager at Fredericton, N.B.

G. SMITH, formerly manager at Wingham, Ont., to be manager at Parkdale, Toronto.

T. STOTHERS, formerly manager at Drinkwater, Sask., to be manager at Shaunavon, Sask.

J. R. PILON to be manager at St. Pierre et Miquelon.

R. C. BROWN, formerly manager at Brussels, Ont., to be manager at Tillsonburg, Ont.

A. A. LOVE, formerly manager at Yarmouth, N.S., to be manager at Truro, N.S.

P. R. HAMEL, formerly manager at St. Pierre et Miquelon, to be manager at Upper Town, Quebec.

L. R. BLACKWOOD, formerly manager at Tillsonburg, Ont., to be manager at Wingham, Ont.

J. H. SIM, formerly assistant manager at Halifax, N.S., to be manager at Yarmouth, N.S.

H. K. BAIRD, formerly manager at Shaunavon, Sask., to be manager at Fort William, Ont.

J. A. CAW, formerly manager at Fort William, Ont., to be manager at Minnedosa, Man.

The Royal Bank of Canada announces these staff changes:

A. R. SMITH, formerly of the supervisor's department, Halifax, to be manager at Antigonish, N.S.

R. H. PETHICK, formerly at Antigonish, to be manager at New Glasgow, N.S.

E. G. MACMINN, formerly manager at New Glasgow, to be manager at Sydney, N.S.

G. F. JOHNSTON, formerly manager at Portland, Ont., to be manager at Stanley St., Montreal.

E. B. RANKIN, formerly at St. John's, Nfld., to be manager at Trinity, Nfld.

A. N. MACIVER, formerly of the supervisor's department, Halifax, to be manager at LaHave, N.S.

H. P. STRONG, formerly at head office, to be manager at Sherbrooke and Bleury Sts., Montreal.

C. J. O'NEILL, formerly manager at Walkerville, Ont., to be manager at Bloor and Yonge Sts., Toronto.

P. G. HALL, formerly manager at Sydney, N.S., retired on pension on Sept. 30.

Current Events in Banking World

BANKS HOLDING 51.04% OF DEBT OF U. S. A. GOV'T

Compares With 18% in Canada and Only 11% in Britain

The banks of the United States, as of June 30, were carrying 51.04 per cent of the U.S. national debt as compared with 44.03 per cent in 1933, 42.73 per cent in 1932, 24.99 per cent in 1928, and only 15.34 per cent in 1920, according to compilations by the American Banker.

Conversely, the percentage of the U.S. debt held by the American public has dropped from 84.63 per cent in 1920 to 47.63 per cent in 1934.

American banks, which had 8.93 per cent of their deposits invested in Government issues in 1920, now have 29.49 per cent of their depositors' money advanced on Uncle Sam's promises to pay.

The mid-year U.S. debt of $27,053,141,000 represents a commitment on the part of Uncle Sam to take away from the taxpayers of the United States in the future and transfer to his creditors a sum larger than the entire bank deposits of the country in 1916.

Contrast With Canada

These figures contrast sharply to the fact that the big British banks have only 11 per cent of the British treasury debt on their books, and Canadian banks have 18 per cent of the Dominion's debt in their assets.

Of major significance is the fact that of the increase of $4.5 billions in U.S. national debt between June 30, 1933, and June 30, 1934, U.S. banks took $3.9 billion, or 86 per cent. U.S. Government agencies themselves took $250 millions or 5 per cent, while holders outside the banks and Government agencies, took $380 millions, or 8 per cent. Recent increases in the holdings of insurance corporations and other institutional holdings appear to have been of sufficient upward trend during recent years to have absorbed all or a large proportion of the new U.S. financing since 1933 not taken by banks.

See U. S. Central Bank As Inflation, Socialism

Banks and Conservatives Opposing State-Managed Credit

BY DR. GAINES T. CARTINHOUR
New York University

NEW YORK.—The proposal of a Government-controlled central bank in the United States has again been brought forward but is not looked upon with favor by sound money advocates. Its supporters in the main are inflationists and monetary radicals. Reliable reports from Washington indicate certain prominent administration officials favor the establishment of such an institution but that the president is distinctly opposed.

It is believed that a number of bills favoring a central bank will be introduced. It is definitely known that the Senate Banking and Currency Committee will study the proposal in secret sessions next month. The central bank issue has arisen because of the continuing decline in the general index of business, on the one hand, and the Treasury's financing problems, on the other.

To Sell Bonds

Central bank advocates point out that it is necessary to have a more reliable agency than now exists to take new issues of Government bonds in order to finance heavy expenditures. This can only mean one thing, that the administration knows it cannot continue to finance a huge government deficit indefinitely by orthodox methods, and that it is getting ready to set up machinery for raising funds otherwise. Under the Thomas amendment, the Federal Reserve Banks may be asked to buy up to $3,000,000,000 of additional Government bonds, but all in all the present system of checks and balances is probably unsatisfactory for an administration that may have to place an unlimited amount of its securities on a central bank set-up.

Commercial banks have reached the point where they are willing to continue to buy new bonds indefinitely, and the Government is therefore forced to find some way of financing itself without the usual large dependence on these institutions. The question then very logically arises whether or not the Government will have to set up its own bank and sell its paper to itself.

Already member banks of the Federal Reserve System, having approximately two-thirds of the banking resources of the U. S., hold over $9,100,000,000 in Government securities. This is about one-third of the total debt of the Treasury, and compares with only some ten per cent of the securities issued by the British government held by British commercial banks and the Bank of England. When it is realized that commercial banks and the Reserve system hold almost 60 per cent of the securities issued by the Treasury, there does not seem much room for complaint by Washington officials that the banks have refused to co-operate in so far as buying securities is concerned.

Central Bank Move

It appears therefore that, unless the banks are willing to make large additions to their portfolios of Treasury obligations, particularly on a long term basis, and expand loans substantially regardless of the risk, a new stimulation will be given to the central bank movement especially within the administration. The new institution would be given powers, according to authoritative reports, not only to finance the Treasury but also accept deposits and loan freely to the public. This would mean competing with commercial banks, very much like the Bank of France.

Any proposal that the Government enter private finance with political favoritism, etc., cannot help but cause anxiety among those favoring private competition and individual initiative. Should a central bank be created, it is generally agreed that its most important function would be supplying funds to the Government, and not in disbursing loans to the public. The budget problem is far more serious. However, the publicity that would probably be given to the proposal would stress the failure of banks to extend loans and emphasize that unless something is done immediately the Government will enter the banking field.

Advocates of such an institution in the U. S. also believe that it would have more direct control over the policies of member banks than is possible under the present system. In other words, in contrast with the present co-operative and supervisory system, the new central organization would practically dictate what loaning and investment policies had to be followed. This group also believe that control would be more centralized, without admitting that at present the Government practically dominates the Federal Reserve System, through the Treasury Department and the Stabilization Fund. They carefully avoid any reference to that fact that the banking machinery of the country would be used for political purposes.

Some conservative economists believe that the administration has no real intention of creating a central bank but is using it as a threat to force the banking fraternity to co-operate; that the administration is outwardly sympathetic to the proposition only because it wants to keep the inflationists quiet, if possible, particularly for political reasons.

Bankers Opposed

Bankers are marshalling their forces to fight the proposal under which the Government would dominate the credit situation, and are keenly alive to the risks inherent in a central bank completely dominated by politics. They realize their battle faces great obstacles and are hoping for a real business upturn in the next few months to help their cause.

The Federal Advisory Council to the Federal Reserve Board and other prominent banking groups have or will in the near future unqualifiedly endorse sound money and anti-inflation views. The Reserve City Bankers Association has taken action and it is very likely that the American Bankers Association at its coming convention will ratify the recommendations of these two important bodies. As the guiding spirit of the original Federal Reserve Act, Senator Carter Glass is expected to lead the drive against the central bank advocates.

To Inflation and Socialism

With a central bank completely under the control of the Government, the operations of the institution would be merely an instrumentality of roundabout inflation. This would be utilized for the purpose of pump-priming in an indirect way, in order to avoid immediate political repercussions. However, a central bank is not necessary, even to satisfy the inflationists. The same result may be secured under the existing system in a roundabout way.

As a matter of fact, if a central bank was necessary for sound business and banking reasons in the U. S., most if not all of its functions can be or, at least with little change in the law, could be performed acceptably by the present Reserve system. If to the latter were added the powers given the Secretary of the Treasury under emergency banking legislation and the dollar devaluation act there would be little or no question about it.

If the plan merely involved a combination of the twelve Federal Reserve Banks into a central institution with branches there would be no need for alarm, but the proposals which have been advanced seem to imply that a Government controlled bank should exercise complete control over the operations of individual banks. This creates a new set of complications, and puts the entire banking system into politics to an extent never before even considered. One authority points out, in this connection, that government control of the supply of credit would sooner or later involve efforts at government control of prices, production, and business policies in general. Free enterprise would tend to disappear, private property would be jeopardized, and the U. S. would be headed toward socialism.

ACTUARY EXPLAINS CANADIAN BANKING

J. G. Parker Says Bank of Canada Should Aid Government Financing

An extensive explanation of the Canadian banking laws and the changes involved in methods of Canadian banking due to creation of the Bank of Canada was made to the Actuarial Society of America last week by J. G. Parker, actuary of the Imperial Life Assurance Co., Toronto, who was recently elected president of the body.

Mr. Parker's address was descriptive rather than critical. Of the Bank of Canada, however, he stated:

"It is expected that the Bank of Canada will be increasingly a source of skilled financial advice for the Dominion and the provincial governments in relation to such matters as the creation or restriction of credit and especially the flotation of new issues of bonds or the refunding of old indebtedness. The knowledge that such advice is definitely being made use of by the governments of Canada should create a most favorable reception for all governmental financing both in the Dominion and in foreign markets."

Time, however, will demonstrate whether the Bank of Canada has improved the efficiency of Canadian banking, Mr. Parker concluded.

Big Grain Elevator

New Westminster boasts an 800,000-bushel grain elevator, and the port is equipped with modern terminal facilities, including an up-to-date cold and cool storage plant.

Foreign Exchange Markets

THE pound sterling has strengthened again, moving toward the $5 level with a fall in the London price of gold. This is explained as a consequence of British intention to maintain "the independence of sterling," but accurate delineation of reasons for current exchange moves appears to be lacking.

British authorities have indicated that the pound is not to be returned to gold at present, which is a disappointment to those who feel that stabilization of sterling is a prime requisite to extension of world recovery. The gold block nations have agreed among themselves that they will continue to defend their position. This is the second time within a few months that the gold countries have met in conclave to reiterate their declaration of faith in their present gold currencies. This is considered significant of the great difficulty of their task.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Oct. 16	Oct. 17	Oct. 18	Oct. 19	Oct. 20	Oct. 22
U. S. dollar, High	.5906	.97 11/16	.98 1/16	.98	.98	.97 11/16	.98 1/16
Low	.5906	.97 11/16	.97 15/16	.97 13/16	.97 11/16	.97⅞	.97¾
1933 High	1.000	1.03½	1.03⅛	1.03½	1.03 11/16	1.03½	1.03 1/16
Low	1.000	1.03 1/16	1.02 15/16	1.02½	1.03⅜	1.03 1/16	1.03⅜
U. K. pound	4.8665	4.83	4.83½	4.84	4.84¾	4.87	4.86
Argentina	.4246	.2576	.2573	2573	.2582	.2571	.2584
Australia	4.8665	3.8434	3.8465	3.8542	3.8601	3.8800	3.8635
Austria	.1407	.1867	.1877	.1870	.1868	.1868	.1867
Belgium	.1392	.2310	.2311	.2306	.2302	.2300	.2304
Brazil	.1963	.0733	.0735	.0734	.0720	.0719	.0721
Czechoslovakia	.0296	.0413	.0413	.0414	.0412	.0411	.0413
Denmark	.2680	.2159	.2162	.2165	.2168	.2180	.2168
France	.0392	.0651	.0652	.0650	.0649½	.0649	.0650
Germany	.2382	.3982	.3988	.3980	.3966	.3970	.3973½
Greece	.0130	.0093	.0094	.0094	.0094	.0093	.0094¼
Holland	.4020	.6698	.6709	.6692	.6677	.6677	.6682
Hungary	.1749	.2948	.2955	.2952	.2952	.2946	.2939
India	.3650	.3636	.3695	.3682	.3687	.3700	.3700
Italy	.0526	.0845	.0847	.0845	.0844	.0843	.0845
Japan	.4985	.2835	.2852	.2840	.2830	.2819	.2833
Jugoslavia	.1929	.0226	.0228	.0227	.0226	.0226	.0226½
New Zealand	4.8665	3.8587	3.8618	3.8696	3.8755	3.8955	3.8789
Norway	.2680	.2430	.2433	.2436	.2439	.2456	.2439
Poland	.1122	.1877	.1887	.1877	.1875	.1874	.1877
South Africa	4.8666	4.8215	4.8252	4.8350	4.8424	4.8674	4.8647
Spain	.1929	.1340	.1352	.1348	.1346	.1346	.1347
Sweden	.2680	.2527	.2496	.2499	.2502	.2514	.2502
Switzerland	.1930	.3224	.3232	.3222	.3215	.3216	.3219
Hong Kong	.5422	.4116	.4024	.3878	.4030	.3989	.3970

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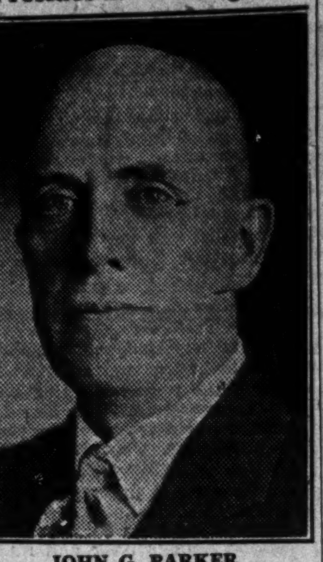

JOHN G. PARKER

Actuary of the Imperial Life Assurance Co., who delivered the presidential address before the Actuarial Society of America last week. Mr. Parker discussed in considerable detail the Canadian banking system with particular reference to the new Bank of Canada.

FACTORY SURVEY WILL POSTPONE ALBERTA CODES

Province Sets Up Staff to Administer Act

From Our Own Correspondent

EDMONTON.—Alberta's "N.R.A." has at last been proclaimed but this does not mean it has been brought into operation. Passed by the provincial legislature at last session, the Trade and Industry Act, which gives wide powers of control over prices, wages and industrial conditions was proclaimed Oct. 18.

Hon. George Hoadley, veteran cabinet minister, has been selected as the minister to have charge of the new department, having been relieved of some of his other government duties.

The deputy minister, upon whom a great deal of responsibility also rests, is William Anderson, of Edmonton. Mr. Anderson is an Edmonton business man and has been manager of the Hayward Lumber Co. for the past 14 years.

Within a short time, the machinery required to administer the act will be in full operation, it is expected.

Numerous lines of business have drafted "codes" which they hope to become operative now that the act has been proclaimed. The act provides that the minister may invite any trade or business to formulate a "code" to put an end to competitive practices detrimental to the trade. Standards or prices could be set below which no one could sell.

Before any codes are brought into operation, a complete industrial survey of the province will be made by the newly appointed deputy minister. Mr. Anderson will commence on the work just as soon as he can take over his new office.

The forthcoming premiers' conference at Ottawa has a bearing on the situation. If Ottawa assumes larger industrial and labor powers, Alberta's "N.R.A." would go by the board

Royal Bank Reduces Rates to N. B. Municipals

From Our Own Correspondent

MONTREAL.—Arrangements have been made with the Royal Bank of Canada by the Hon. L. P. D. Tilley, premier of New Brunswick, for uniform interest charge of five per cent on all New Brunswick municipal current loans against tax collections after November 1. It is expected that other banks will likely give a definite decision on this matter before the end of the month.

The establishment of the uniform rate on loans against tax collections is expected to result in the saving of several thousands of dollars to New Brunswick municipalities. While some of these are now paying only five per cent, the interest rate varies, and other municipalities are paying as high as seven per cent.

Weekly Bank Clearings

	Oct. 18 1934 $	Change Year Ago %	Oct. 11 1934 $
Halifax	2,458,310	+15.5	1,874,270
Saint John	2,074,818	+21.7	1,417,412
Moncton	777,002	+15.3	570,897
Sherbrooke	518,575	—13.0	548,210
Quebec	4,301,716	+ 8.3	3,362,507
Montreal	106,790,024	+ 5.4	88,526,642
Ottawa	5,358,980	+27.5	3,844,253
Kingston	567,336	+ 3.1	499,726
Peterborough	640,136	+ 5.6	484,301
Toronto	133,785,007	+16.3	91,960,897
Hamilton	5,353,336	+41.6	3,604,971
Kitchener	1,038,213	+ 4.9	991,530
Brantford	858,391	+14.8	767,179
London	3,718,239	+45.5	1,922,438
Chatham	415,036	— 8.0	382,868
Windsor	2,125,693	+12.3	1,519,634
Sarnia	436,136	+21.1	304,583
Sudbury	792,007	+39.0	670,041
Ft. William	834,996	+38.8	665,834
Winnipeg	64,196,933	— 0.3	57,140,663
Brandon	362,302	— 4.6	320,143
Regina	5,648,687	+13.3	4,883,009
Moose Jaw	650,993	— 3.6	504,109
Saskatoon	1,819,760	+16.1	1,446,478
Prince Albert	379,892	+25.1	297,071
Edmonton	4,170,440	+12.2	3,902,515
Calgary	7,462,455	+23.4	4,750,133
Medicine Hat	296,903	+19.9	219,377
Lethbridge	543,403	+25.9	......
N. W'minster	472,609	+ 8.4	575,489
Vancouver	17,301,103	+20.1	13,198,020
Victoria	1,687,029	— 2.3	1,275,529

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New Books

"THE NEW UNEMPLOYMENT ACT," by Ronald C. Davison, published by Longmans, Green & Co., Toronto, at 30 cents.

This is a pamphlet setting forth the British Government's new schemes for helping the unemployed passed into law at the end of June, 1934, and which will come into full operation at an early date.

The author indicates the effort that is now to be made to put unemployment insurance on a sounder financial basis and to get the unemployment insurance fund out of debt to the treasury. But he regards the new act as definitely expansive in character and as recognizing the changed opinion in Britain toward what was once called the "dole."

"A DISCUSSION OF OPERATING AND ECONOMIC PRINCIPLES UNDERLYING ELECTRICITY SERVICE AND RATES." Published by Montreal Light, Heat & Power Consolidated, Montreal, for free distribution.

Some months ago this large Montreal utility company began to publish as page advertisements a series of open letters to its customers dealing with the fundamental principles underlying supply and maintenance of electrical service in the home.

The open letters have now been published in a book written in both French and English.

For a large utility company in Canada to talk fairly candidly to its customers is almost novel,—it certainly is for Montreal Power—and this pamphlet no doubt will be studied by many other private utility companies for the leads it gives in approaching the tricky problem of public relations.

"THE NATIONALIZATION OF BANKING," by Amber Blanco White. Published by Thos. Nelson & Sons, Toronto, at 50 cents.

This is one of the publications of the Fabian Society. In it, the author discusses what might happen to the financial and banking system of Great Britain if a Socialist government came into power. He recognizes that the Socialist government would probably take over the reins of office in England in the midst of panic. The investment and working capital of the country would be in full flight and the problem of the new government, in attempting to avoid even a limited period of economic chaos, would be exceedingly difficult.

He assumes that the first task would be to nationalize the banks of England, although he expresses the veiled hope that this will have been done before the Socialists are in power. But he urges caution in nationalization of the joint stock banking institutions, feeling that management of the commercial banks would be beyond the immediate capacity of the new government and would, in any event, not be necessary until the larger industries and utilities had been acquired by the state He says that no proposal has yet been made to take over either the exchange banks, the accepting houses or the money markets. There will always be need for such institutions unconnected with the state. But there should be, he feels, a national investment board, to pass upon all loans offered for public subscription.

In brief, Mr. White urges a Fabian policy in the nationalization of banking. Thus, his book is likely to be unpopular with impatient radicals and Conservatives alike. It is valuable less as an argument for socialization of banking than as a candid explanation of what probably would happen to finance in Great Britain if a Socialist government came into power.

CONTRIBUTIONS TO CANADIAN ECONOMICS—Vol. VII of Series by U. of T. Published by U. of T. Press. Price $1.50.

Students of Canadian Economics will be particularly interested in several of the articles in this volume of the U. of T. Studies. Volume VII will be the last to be published, being superseded by a new quarterly publication which will appear under the joint sponsorship of the University of Toronto and the Canadian Political Science Association.

In view of the current interest in matters affecting the public debt, a study by D. C. MacGregor in bringing together on a comparable basis the statistics of public debt in Canada, is important. Not only considerable original work is done by Mr. MacGregor, but the very limit of his studies is important as indicating the weaknesses in this type of information in Canada, and the need for specific steps being taken to this effect along the lines pointed out by Mr. MacGregor to shape the heterogeneous mass of material now available in Canada from year to year, along proper and usable lines.

Of interest, too, is the reprint of the paper prepared for the Urban School Trustees' Association of Ontario by A. F. W. Plumptre on the subject of whether or not economics should be taught in academic high schools. Recently converted to the viewpoint that something can be done, Mr. Plumptre makes an interesting review of what he believes might or might not be done with profit along these lines.

Other features of the book include the customary bibliography of Canadian Economics prepared by Miss Alison Ewart, Editor, of the University of Toronto Press, and which runs over 150 pages; a further study by Mrs. V. W. Bladen to complete a chronological list of the railways of Canada; and a contribution by Professors Smails and Baird of Queen's University on no par value shares under the Dominion Companies Act. Professor Norman MacDonald of McMaster University also contributes a summary of English land tenure on the North American Continent, which gives the background from an Imperial point of view, of Canadian land policy.

In the Mail

Newsprint Quality

Editor, The Financial Post:

Permit me a word in reference to your article on self-regulation in newsprint, not so much in refutation of your admission that the conditions confessed would make government interference permissible or desirable, but in a constructive suggestion of avoidance of such a peril to the industry.

The pulp and paper industry is a partnership with the collection of government taxes on stumpage, and the various governments are seeking to raise that stumpage tax. Their interests are not so much philanthropic for the workers as they are selfish for their own treasures.

I have been buying newsprint for fifty years, and I have yet to see the paper manufacturing company directed or manned by anyone with experience or understanding of the publishing industry. That is the great weakness of the paper mills, that simple lack of understanding which would lead to co-operation.

If the makers of newsprint would devote more time to the development of a paper of finer quality they would readily get a better price. For years they have been trying to see how cheap, instead of how good, they could make a better newsprint which would meet the test of the modern newspaper press.

Many publishers would be willing to pay $50 a ton for a finer grade of paper. Can you tell me of one mill which has tried to meet this quest?

Therein lies the life of the industry, just as it has done in other industries. You may recall when the old Slater Shoe Company developed a shoe as finely made and finished as the United States shoes being largely imported into Canada. You may recall when the Semi-ready Tailoring Company revolutionized the manufacture of wholesale tailoring in Canada.

What has been done in other industries can be done in the newsprint industry. But it can only be accomplished through closer cooperation with publishers who know their busiess from A to Z.

I am an outspoken opponent of any government interference. Then follows more interference, and then demoralization. Only the weak sister appeals to the making of new laws and by-laws.

Let one single manufacturer devote his mills to the making of a real $50 quality newsprint, and we need not give a hoot for the competitors who distrust each other or who resort to price-cutting or petty bribery of buyers. But for the sake of their trade, keep away from any thought of force by government regulations. That spells ruin to any industry.

ALFRED WOOD,
Editor, Sherbrooke Daily Record,
Sherbrooke, P.Q. Oct. 19, 1934.

Dosco Secures Order For South African Rails

From Our Own Correspondent

MONTREAL.—An order for 2,500 tons of steel rails has been placed by the South African Government with the Dominion Steel and Coal Corp. The rails are to be rolled at the Corporation's Sydney steel plant for delivery at the end of this month.

This is the second substantial order placed with the corporation by the South African Government in the last six weeks. Consequently the company has been able to maintain a large working force at the Sydney plant, which has experienced a fairly good volume of business since the beginning of the current year.

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Insurance for Buyer and Seller

SEPTEMBER SALES LIFE INSURANCE RECORD NEW LOW

Smallest Total in Decade as Only Quebec, N.B., and Sask. Gain

Sales of ordinary life insurance in September reached a new low point in the past decade, following the low figure of August, according to figures released this week by the Life Insurance Sales Research Bureau, Hartford, Conn. The figures are on a paid for basis and represent the business of companies having 91 per cent of the business in force in the Dominion.

September sales totalled $26,123,000 as compared with $26,659,000 in August and $27,443,000 in September a year ago, the figures in each case including sales in Newfoundland. The decline for the month as compared with September a year ago is one of 4.8 per cent.

Sales By Provinces

By provinces, Quebec, New Brunswick and Saskatchewan show increases over the previous month. Broadly speaking, however, all provinces recorded approximately the same total as in August with the exception of British Columbia which reported a decline of $500,000, or 25 per cent. Compared with unrevised figures for September, 1933, only New Brunswick and Newfoundland show gains.

Cumulative sales for the first nine months of the year total $274,818,000 as compared with $282,392,000 in the same period a year ago, a decline of 3.7 per cent. In the United States, production for the first nine months of the year was 11.1 per cent above 1933, but it should be remembered that the 1933 totals in that country declined much further than did those in Canada.

Complete Data

Comparative figures by provinces follow:

(A) Sales by Provinces

	Sept. 1934	Aug. 1934	Sept. 1933
	$	$	$
B. C. ...	1,542,000	2,004,000	1,810,000
Alta.	1,038,000	1,159,000	1,218,000
Sask. ...	980,000	858,000	1,159,000
Man.	1,256,000	1,504,000	1,531,000
Ont.	10,701,000	10,724,000	11,344,000
Que.	8,610,000	8,100,000	9,370,000
N. B. ...	719,000	707,000	654,000
N. S. ...	896,000	1,173,000	902,000
P. E. I. .	91,000	130,000	100,000
Nfld. ...	290,000	300,000	247,000
	26,123,000	26,659,000	27,443,000

Total sales:	
Nine months, 1934	274,818,000
1933	282,392,000
Decrease, per cent	—3.7
Decrease, Sept., 1934 from Sept., 1933	—4.8

(B) Sales by Months, 1932-34

	1932	1933	1934
	$	$	$
Jan.	39,289,000	29,928,000	27,728,000
Feb.	40,636,000	28,095,000	29,036,000
March ...	39,858,000	31,763,000	32,564,000
April	35,922,000	30,591,000	33,296,000
May	33,653,000	31,916,000	33,184,000
June	43,912,000	34,114,000	32,277,000
July	36,720,000	32,165,000	33,951,000
Aug.	31,138,000	29,749,000	26,659,000
Sept.	27,974,000	27,443,000	26,123,000
Oct.	32,918,000	33,434,000	....
Nov.	37,417,000	36,061,000	....
Dec.	32,852,000	38,967,000	....

Figures represent new paid for ordinary business by 19 companies having in force at Jan. 1, 1934, 91 per cent of the total business in force in Canada. Figures represent both Canada and Newfoundland and are prepared by the Sales Research Bureau, Hartford, Conn.

Manufacturers Opens Philadelphia Branch

Manufacturers Life announces the opening of branch office in Philadelphia, third largest city in the United States, under the management of Walter Gallagher.

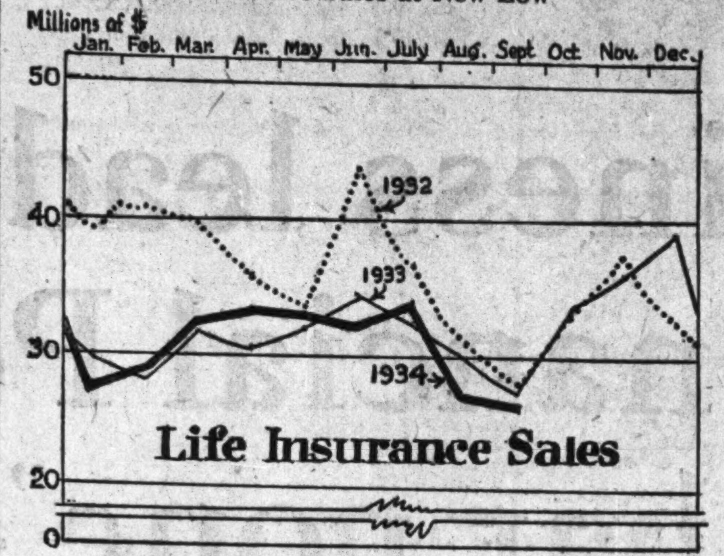
Mr. Gallagher, who will supervise the eastern Pennsylvania territory, has been selling life insurance since 1927, being formerly associated with the United States Veterans bureau where he became interested in the life insurance scheme for veterans.

George Dummert Joins Sovereign From W. Empire

George Dummert, who was recently appointed Winnipeg manager of the Sovereign Life, was formerly superintendent of agencies for the Western Empire Life.

In a recent issue of The Financial Post the impression was given that Mr. Dummert had been superintendent of agencies of the Sovereign.

Insurance Sales at New Low



Sales of ordinary life insurance have apparently failed, as yet, to respond to the increase in productive activity noted in Canada over the past 18 months. September sales reached a new low point, according to the figures compiled by the Life Insurance Sales Research Bureau, Hartford.

FARM FIRE RISKS LOSING BUSINESS IN PAST DECADE

Use of Power Machinery Seen as Leading Cause

The use of power machinery by farmers, adding, as it obviously does, to the fire hazard on farm properties, is generally considered one of the major reasons for the unprofitable experience of fire insurance companies on their farm property risk during the past ten years. Insurance on farm properties in Canada was profitable for the companies during the world war period when the farmers were making money but the unfavorable experience of the past ten years has compelled many to discontinue this class of business.

Two other factors are generally accepted as important causes of this poor experience. During the past decade, it is pointed out, thousands of persons have abandoned farms and gone to cities and towns with the result that there has been a surplus of farm buildings and equipment with little or no income therefrom. Out of this situation a moral hazard has developed. Furthermore, rural mutual companies operating on the assessment plan now obtain the business of the better farming communities and thus, in many sections, only the poorer risks are left for the stock companies.

High Loss Ratio

Loss ratio on farm business in Canada in the five-year period, 1923-1927 was 93.78 per cent, while the loss ratio for the five-year period, 1928 to 1932 was 83.4 per cent. Premiums in the former period were $12,000,000 and in the latter period $16,000,000.

Some improvement in loss was shown in 1933 and, so far as can be learned, this improvement has been continued this year. The record for the past ten years, however, indicates the extent of the deficit incurred by stock companies operating in the farming areas. The loss ratio on farm property insurance for each of the years 1923 to 1932 is shown in the following table:

	%		%
1923	123.24	1928	72.94
1924	128.63	1929	76.37
1925	91.35	1930	85.20
1926	65.94	1931	93.91
1927	67.78	1932	91.91

Further Hazards

Premiums during the period were $28,212,740 and losses incurred were $24,862,263 or a loss ratio of 88.12 per cent.

Some of the added fire risks in the line of power machinery are: storage of automobiles and gasoline; use of gasoline tractors, gasoline lights and engines; steam power for threshing, incubators; electric wiring; larger farm buildings, thus containing more value under one roof; some or all of which are to be found on every modern farm.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Deposit With Life Company

Do you consider that money invested with a life insurance company is as safe as it is when invested in government bonds?

Moneys left on deposit with a life insurance company rank equally with other obligations of the company to its policyholders.

This means in effect that your funds are protected by assets which must be maintained on a strict basis in conformity with Federal or Provincial legislation.

As you probably know, our Governments do not guarantee the safety of any funds left with life insurance companies, but they do take very considerable precautions to ensure that the financial condition of the companies is in a healthy state, and that it conforms to accepted rules of procedure as to types of investments, security and so forth.

As you perhaps know, it is the rather proud boast of life insurance companies in Canada that no policyholder has ever lost a dollar through failure of a company properly licensed at Ottawa to meet its obligations to policyholders.

LIFE OF RICHTER LAUDS LEADERSHIP

Former President of London Life Subject of Biography

Although the London Life Insurance Co. had been doing business for about ten years before John George Richter joined the company as general manager, it was not until his advent that the first seeds of the company's successful growth were sown. For nearly 50 years—from 1883 to 1932—Mr. Richter served the company, 37 years as general manager, eight years as vice-president and the final four years as president.

In view of Mr. Richter's close association with the company during its rise to one of the leading insurance companies in the Dominion, it was decided some time ago to prepare a brief biography devoted to Mr. Richter and his association with the company. This biography, from the pen of Fred Langdon, librarian at the University of Western Ontario, has been recently published.

Perhaps the outstanding paragraphs in the book come near the beginning. They picture Mr. Richter as those who knew him best remember him.

"John T. Richter wrote no books and made few speeches but he lived a life and those who looked upon that life will render the verdict that it was a good life. Through the years he bore large business responsibilities which were faithfully fulfilled. Of the tasks and responsibilities which a community must divide among its several members, he bore his share willingly and well.

"He was a familiar figure on the streets of London. Short of stature but rugged in appearance, he seemed to typify those solid qualities of strength and stability which came to be associated in the public mind with the company whose affairs he directed. He walked with an even pace, never hurried but intent upon his mission, whatever it might be. It was with just such an even pace, never hurried but never losing sight of the goal, that he guided the London Life Insurance Company."

ONT. AGENTS ASK MINIMUM TARIFF ON AUTO INSUR'CE

Also Suggest Establishment of Knowledge Test For Agents

AT ANNUAL MEETING

Shelve Proposal to Request Acceptance of Insurance Bonds in Construction Bids, to Later Date

Protection from rate-cutting and the writing of synthetic fleets in the automobile insurance business were the two most important questions discussed by agents attending the fourteenth annual convention of the Ontario Fire and Casualty Agents' Association, held recently in Toronto. To overcome the rate-cutting problem, a minimum tariff, set by statute, was proposed and the executive were charged with contacting the companies and the government with a view to having such a tariff incorporated in the insurance statutes.

Under the plans proposed at the business sessions of the conference, this minimum tariff would apply to all companies but just how it would affect mutual companies was left to the executive to decide. There was a considerable body of opinion in favor of allowing mutual companies to give a rebate from these rates; in fact, no other method of handling the mutuals was proposed. Many agents felt, however, that a minimum rate on that basis would not solve the problem.

To Protect Public

What was being sought, it was stressed by J. G. Truman, Hamilton, who led the discussion on the question, was the protection of the public from unstable companies. Mr. Truman felt that the stock companies had nothing to be ashamed of in the disposition of the premium dollar, the amount allocated to profit being exceedingly small. He was in favor of setting the minimum rate from time to time on the experience of all companies engaged in the automobile insurance business, in the same manner as was done in England with employers' liability insurance.

Mr. Truman pointed out that in 1927, when a commission investigated automobile insurance rates, the premium dollar was divided as follows: 56 per cent for losses incurred; 9 per cent for general and administrative expense; 30 per cent for acquisition; 2½ per cent for taxes and 2½ per cent for profit. Since that time there has been an increase in taxes to the amount of 2 per cent of the premium dollar without any reduction in loss ratio.

Business Cost Small

It was stated that those figures showed that the cost of doing business was no greater than that of any other type of distributive business which had salesmen on the road. Mr. Truman said that he was able to overcome most cut-throat competition by showing prospective policyholders these figures.

Using these figures as a basis, he proposed that the government set a minimum tariff. Thus, if loss experience over a period should be 60 per cent, he believed that rates should be increased to bring this to not more than 56 per cent of the premium dollar in order to allow the companies to obtain a reasonable profit. In England, losses were not allowed to absorb more than 60 per cent of the premium dollar obtained for employers' liability insurance, he said.

Would Check Licenses

All those present at the convention were in agreement that the time had come when a more strict check should be made on applicants for licenses to sell insurance in the province as there were already too many unqualified men in the business. Many of the agents were agreeable that this be carried further so that those agents now licensed would be examined as to their fitness to sell fire and casualty insurance.

Hon. Arthur W. Roebuck, attorney-general of the province, in an address to the agents at a luncheon meeting, said that he was in agreement that some standards of qualification should be established for agents. He intimated that the government would favorably consider an application from the agents, through their association, for some such regulation.

Extend Foster's Powers

Discussion of qualifications of insurance agents was led by H. E. Rose, and a suggestion was made that a provincial department be established to educate and investigate agencies in order to ensure their qualifications. It was suggested that the powers of R. Leighton Foster, superintendent of insurance for Ontario, be expanded to allow him to refuse licenses to those not qualified and, if necessary, to examine the qualifications of those already holding licenses.

J. Innes Carling, retiring president, in his annual report, dealt with the association's endeavor to widen the scope of securities for Dominion contracts. He said that as this matter was only recently brought to attention it had been impossible to obtain any definite results, but the matter had been referred to a committee.

Mr. Carling claimed that insurance bonding would eliminate tenders from companies financially unable to carry on the contracts.

Officers Elected

Officers elected for 1934-35 were: T. E. Glendenning, Ottawa, president; Roland Patterson, M.P.P., Owen Sound, I. H. Beal, Hamilton, and S. O. Mason, Welland, vice-presidents; Chas. Priestman, Toronto, was re-elected secretary-treasurer.

Wawanesa Mutual Agents Meet at Winnipeg

Thomas Baird, deputy fire commissioner of Manitoba, was the guest speaker at a recent convention of agents of the Wawanesa Mutual held at Winnipeg. About 40 agents from the eastern Manitoba area were present at a two-day convention.

This is the last of a series of seven conferences which have been held this summer at various points in western Canada.

Actuary States Case For Participating Policy

Present-day Results Favor Non-par Contract But Long-term View is Different, Says G. L. Holmes

"Shall I buy participating or non-participating life insurance?"

Here is a question asked hundreds of times a week by policyholders and prospects; a question on which companies and agency forces are continually asked to adjudicate.

Recently a young Canadian life company official—G. L. Holmes, assistant actuary of the Manufacturers Life Assurance Co. of Toronto, attempted to answer this question before a group of company representatives.

Finds Non-par Lowest

He found, for instance, that on the present scale of dividends offered for his company, non-par policyholders for most plans and ages were getting the best of the bargain—as far as "net cost" was concerned. In spite of this though he sums up his analysis with the following emphatic statement:

"It is my firm conviction that a policyholder taking insurance today with a reasonable prospect of continuing it in force during his earning period, is well advised to take participating insurance."

His reasoning, of interest to all life insurance policyholders and representatives, is as follows:

Thinks Peak Has Passed

"We have been going through a period — and I believe have passed the extreme point in this period—when non-participating insurance has been very popular, probably more popular than at any other period in our history as a company.

"The public had lost faith in the profit-earning capacity of any institution. This applied to other institutions even to a greater extent than to life insurance institutions. The public had lost faith in the earning power of equities and had found that only the highest type of guaranteed investments continued to yield a money income comparable with what it had been receiving previously. This undoubtedly had its effect on the relative popularity of non-participating and participating insurance.

"In addition—and even more important—were the lower current net costs available under non-participating policies due both to the reluctance of the companies to alter their premiums or cash surrender values, and due to the different nature of net costs under non-participating and participating insurance.

Participating Insurance

"Participating insurance by its nature results in net costs which reflect temporary earning conditions as well as permanent earning conditions. In order to keep a company's position sound and its surplus accounts at a reasonable level, dividends are reduced even where the prospects for the future and toward considerably higher earnings than those currently experienced.

"Non-participating net costs, however, must cover long term conditions, as there is nothing in the contract to alter the net cost once the policy has been put in force. It would not be reasonable for a company to alter its non-participating net costs to new policyholders on account of the effect of purely temporary conditions on the company earnings.

Factors Affecting Net Costs

"Net costs under non-participating policies to new policyholders may be altered in two ways. The most obvious way, of course, is to increase the premiums. A second way is by adjustment in the benefits under the policy, particularly the surrender and loan values, which has a considerable effect in altering the cost to the average policyholder. A similar change does not affect the participating policyholder quite the same way. In fact, taking the long term view, such an alteration in surrender values has very little effect on the probable net cost to such policyholders.

"The difference lies in the fact that the great bulk of profit earned by the company on participating policyholders is returned to those policyholders, whereas non-participating policies do not share in profit earnings. Thus, if surrender values are reduced on participating policies, the result in the long run would inevitably result in higher dividends. These facts must always be borne in mind when considering the relative merits of participating and non-participating insurance.

Comparison Made

"I have had a comparison made of the net cost of non-participating and participating policies in our company. The method used for participating policies was the usual one of deducting from twenty years' premiums the sum of the dividends for the first twenty years and the twentieth cash surrender value. The comparative non-participating costs were twenty years' premiums less the twentieth cash surrender value.

"The results naturally vary by age and plan, but when participating net costs are based on the current scale of dividends the non-participating plans give a somewhat lower net cost than the participating for most plans and ages at issue.

Alternative Results

"If it could be assumed that dividends over the next twenty years might be 50 per cent greater than the current scale, that is, 75 per cent of the scale in use between 1929 and 1931, the results would slightly favor the participating policies at most plans and ages with the exception of the comparison between the G.M.P. (a special policy of the Manufacturers Life called Guaranteed Maximum Protection Policy) and the whole life participating, which would still be slightly in favor of the non-participating.

"Of course, if the 1931 scale of dividends were experienced the results would be entirely in favor of participating insurance. These comparisons have been made assuming a duration of twenty years.

Long Run Viewpoint

"If a policyholder is only keeping his policy in force a few years, his insurance would be normally cheaper on the non-participating plan. On the other hand, the cost of insurance to such a policyholder is high on any plan. If the policyholder were to keep his insurance in force beyond the twenty years, the net cost would be increasingly in favor of the participating plan.

"In spite of a natural reluctance to assume the rôle of a prophet in connection with events which are necessarily largely uncontrollable and which are not subject to accurate estimate, it is my firm conviction that a policyholder taking insurance today with a reasonable prospect of continuing it in force during his earning period, is well advised to take participating insurance even though on the basis of current dividend scales non-participating might appear considerably the cheaper policy during the earlier years."

Larger Proportion of Loss Now Covered By Insurance

While complete figures indicate that 89 per cent of the total fire loss sustained in 1933 was covered by insurance, as compared with 81 per cent in 1932 and 76 per cent in 1931, provincial figures, available only for insurance carried with registered companies, show that 81 per cent of the total fire loss was so covered.

In Alberta and Manitoba, more than 90 per cent of the loss was covered by insurance, this proportion grading down to the 52.8 per cent recorded in Prince Edward Island. The Ontario total is high at over 88 per cent as compared with just over 77 per cent in Quebec.

Insured and uninsured losses by provinces in 1933 were:

Property Losses Insured and Uninsured,* 1933

	Insured Loss	Uninsured Loss	% Insured
	$	$	%
Alberta	1,338,379	97,233	90.8
Br. Columbia .	1,348,834	503,419	72.9
Manitoba	1,036,511	109,489	90.5
N. Brunswick.	1,637,383	550,817	74.8
Nova Scotia ..	1,332,064	447,550	74.9
Ontario	9,920,292	1,329,890	88.2
P. E. I.	144,308	128,388	52.8
Quebec	8,380,356	2,481,894	77.2
Saskatchewan	1,293,902	576,001	70.0
Total	26,451,633	6,224,681	81.0

*Not including losses insured with unregistered companies.

Heavy Accident Claim Filed at Montreal

One of the heaviest individual claims recorded in recent months was filed by Paul Newman, described as a financial author, analyst and investment advisor, who is seeking in Montreal Superior Court the sum of $24,503 from Hans Kirmse for injuries and damage suffered while a passenger in the latter's automobile.

The action for damages is based on the allegation that Kirmse imprudently and negligently attempted to get ahead of a truck which was proceeding in front of the car. The automobile swerved over to the left side of the road, left the highway and crashed into a telephone pole about 418 ft. from the road.

Newsprint Output Up

Newsprint production in Canada during September was up 9.3 per cent at 196,172 tons, compared with 179,416 tons in the like month of 1933. The highest output in 1934 was in May at 242,539 tons.

Insurance Inklings

THEODORE SODERO was recently elected president of the Nova Scotia Life Underwriters' Association.

JOSEPH C. HUGHES, Prudential of America, Saint John, died on Oct. 10.

EDWARD E. REID, vice-president and managing director of the London Life, was honored recently by directors, officers and department heads, at an informal gathering in celebration of the fortieth anniversary of his association with the company.

ALAN L. DICK, Winnipeg agent for the Liverpool Manitoba, died Oct. 16.

Sun Life Offers 6% Money on Mortgages

From Our Own Correspondent

MONTREAL.—Indicative of the change in sentiment by insurance companies toward real estate mortgages, the financial pages of the Montreal daily newspapers this week carried a small advertisement of the Sun Life Assurance Co. of Canada saying that the mortgage department was prepared to consider applications for mortgage loans at 6 per cent, in moderate amounts, on the security of modern self-contained cottage property in the choice residential sections of Greater Montreal.

SMOKE PICOBAC YOU WILL ENJOY IT

"It's not often I venture to offer free advice. I generally wait until I am asked. My wife has trained me that much.

"But when it comes to Picobac I'm apt to loosen up a bit, you understand. I must have told hundreds of people about Picobac—thousands maybe. And they've thanked me for it! I've never had a word of complaint. Nothing but kind words and best wishes."

"Everybody that tries it once realizes that Picobac is something different, something better. Picobac is a select Burley, you understand—the pick of Canada's Burley crop, and a particularly mild . . . cool . . . sweet smoke. You'll enjoy it.

"And don't forget, you get more tobacco for your money. —"Good for making cigarettes, too."

NEW SEAL-TIGHT POUCH 15¢
HANDY POCKET TIN 10¢
ALSO IN ½-POUND "LOK-TOP" TINS

"IT DOES TASTE GOOD IN A PIPE"!

Imperial Tobacco Company of Canada, Limited

Picobac

GROWN IN SUNNY, SOUTHERN ONTARIO

1884 - 1934

SINCE 1884..

This Company has consistently striven to provide its growing numbers of policy holders with adequate protection at minimum rates, maintaining through the years an unbroken record for fair dealing and quick settlement in case of claim.

The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.
TORONTO VANCOUVER EDMONTON MONTREAL

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office: Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
HEAD OFFICE—WAWANESA, MAN.
Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS
Insurance in force over $243,000,000
APPLICATIONS INVITED FOR AGENCIES IN ALL PROVINCES
Eastern Offices: 341 CHURCH ST., TORONTO

Five years ago to-day

One of the greatest financial crashes of modern times occurred on Oct. 23, 1929. The five-year period since has tested nations and institutions. The London Life has more than doubled its business during those critical years; in fact, it has greatly extended its service.

A REMARKABLE STORY

The growth of this Company as registered by the amount of Life Insurance in force is phenomenal for the times:

Oct. 1, 1929 $390,612,000
Oct. 1, 1930 429,745,000
Oct. 1, 1931 454,405,000
Oct. 1, 1932 463,816,000
Oct. 1, 1933 474,925,000
Oct. 1, 1934 494,522,000

The Assets of the Company for the protection of policyholders during this same period have increased by 60 per cent.

Place back of your estate the resources and stability of this institution. Arrange for a London Life policy that will combine your investment and insurance programs in one document and give you complete independence.

Established 1874
London Life Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA
1874 - Diamond Jubilee - 1934

Established 1869
Strength• Stability•
Assurances in Force (Dec. 31, 1933) $518,521,336.00
Assets $138,912,508.00
Surplus Funds and Contingency Reserves $11,917,520.04
A Purely Mutual Company
Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE WATERLOO, ONT.

FIDELITY Insurance Company of Canada TORONTO

LIFE'S MOST IMPORTANT PURCHASE

WHEN a man purchases a Life Insurance policy, he is laying the foundation for financial independence. If he lives to reach the later years of life, his insurance will provide an income for himself and his family. Meanwhile, as a younger man, he is free from worry as to what would be the financial future of his dependents if the inevitable should come to him prematurely.

It augurs well for the future that men and women in increasing numbers are developing the deeply-rooted conviction that life insurance is an ideal instrument for effecting financial independence for themselves and their families.

The MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE: TORONTO, CANADA
Established 1887

"More of Canada's business leaders read and value The Financial Post than any other paper bar none"—

ONE of Canada's largest industrial firms, in order to make sure where its advertising would be most effective, instituted a nation-wide personal canvass of business men to determine their reading habits.

This canvass was carried out by their advertising agency with illuminating results:—

More of Canada's business leaders read and value The Financial Post than any other paper bar none.

Highly significant were some features of the report. Of course, The Financial Post was found to cover pre-eminently Canada's largest audience of industrial executives. But likewise it was found ***to reach the largest number of executives of the wholesale and large retail groups of the nation's merchandisers.*** Certain trade or technical publications would cover one field more intensively, but The Financial Post interested executives in all fields across Canada.

And these industrial and merchandising executives today carefully scrutinize all purchases.

> "In a recent investigation it was found that only 25% of buyers have full power to buy.
>
> "Thus, in three out of four cases purchasing agents must refer to men higher up."
>
> —*Efficiency Magazine.*

If you want to reach executives, directors, department managers and men of large purchasing power, The Financial Post should occupy first place on your list

The Financial Post will be your most powerful sales ally. Ask your advertising Agency.

THE FINANCIAL POST

The Financial Post has the largest circulation of any Canadian financial or business publication. It is the only paper in its field to submit its circulation to the searching scrutiny of the A.B.C.

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Reaching Canada's Largest and Most Influential Audience of Executive Buying Power

Featuring Investments in Food

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 27, 1934 | 10c a Copy; $5.00 a Year | No. 43

Price Recovery Bolsters Investment In Food Securities

DAIRY FIRMS FACE PERIOD PRICE CONTROL

Milk Boards Try to Level Raw Material Costs

PROBLEMS EXIST

Price Structure of Whole Industry Endangered by Big Surplus in Related Lines

Satisfied, apparently, that no excessive fortunes were being built up at the farmers' expense out of the various branches of the dairy industry, government interest in this line has turned from retail prices to production control during the last twelve months. With cheese producers threatening to switch surplus raw material to butter factories, and patrons of the latter in turn anxious to break into the whole milk trade in the larger cities, authorities have come to the conclusion that the Canadian dairy industry must be treated as a complete unit.

The various branches, whole milk for city distribution, cheese, butter, ice cream, condensed and other milk, because they represent alternate outlets to the farmer producers, cannot, apparently, be treated separately. All are definitely related, so much so that when cheese in Great Britain falls one cent per pound, eventually the effect is felt by the dairy companies selling fluid milk in Montreal, Toronto or Vancouver, although there is no direct connection between the company and the British market.

It is this relation between the various branches of the industry that has largely bedevilled efforts of various provincial bodies which seek to secure a higher price for one particular branch. These efforts for the most part have been concentrated on the whole milk end of the business where large companies such as Silverwood's, Dairy Corp., Borden's Ltd., Eastern Dairies and others are vitally interested. In several provinces milk boards, similar in function to those operating in the United States, have been formed with the intention of securing for the farmer a larger share of the consumer's dollar.

Price Control

Before the investigations of these various provincial milk boards had proceeded very far, however, it was discovered that the whole milk problem could not be permanently solved without including problems of the butter and cheese producers and other branches of the industry as well. In several sections of the country, and notably in Ontario, the price of milk sold to the consumer was virtually fixed as well as a minimum price by dairy companies to the producer. The larger dairy companies were very willing to co-operate in such a scheme as they realized that the production of milk for direct human consumption was a more expensive affair than that for manufacturing purposes. They were agreeable to compensating the careful farmers selected to produce such a supply for extra efforts to keep that milk free from contamination. They were also glad to agree to a minimum price as this would put them all on an even footing, whereas, previously, especially in those districts where milk wars were a problem, chisellers were continually entering the field, securing customers by price butting, and in turn passing the price cuts back to the farmer by paying the latter less than the recognized price for his milk.

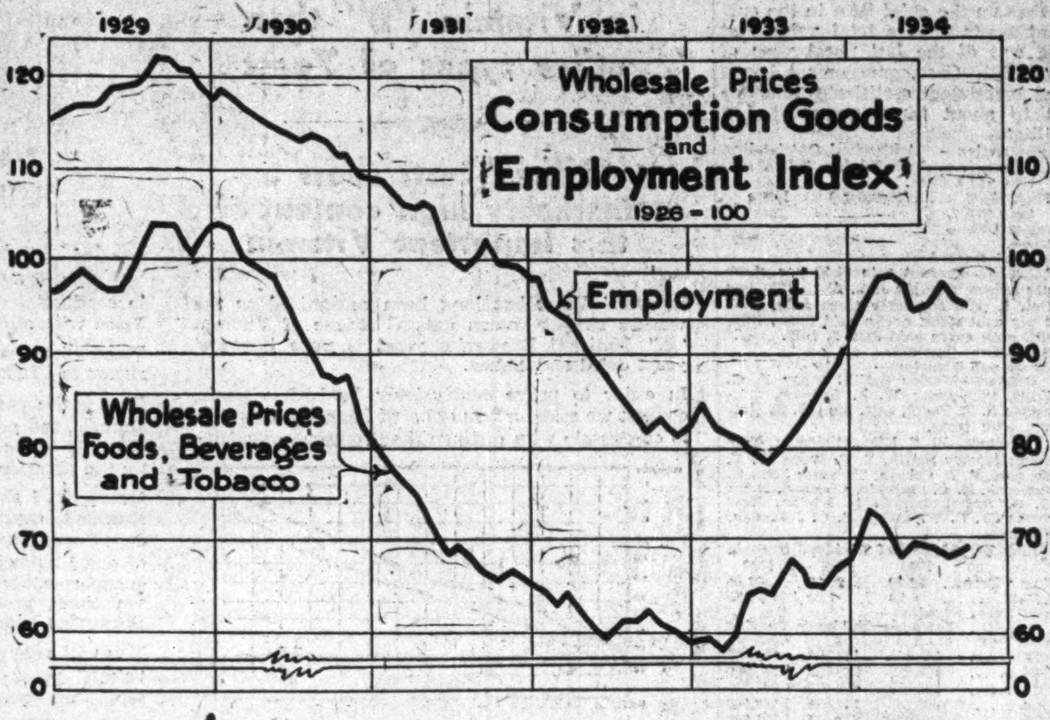
Butter Surplus

But this control was almost immediately threatened by surpluses in other dairy lines and low prices.

The latest cold storage figures from Ottawa, for instance, indicate that present supplies of creamery butter on hand are more than 25 per cent above the figure of a year ago, which in turn was considerably higher than for 1932. The solution offered by the National Dairy Council to the new Dominion marketing board entails compulsory export of a substantial portion without compensation to the manufacturers. At present prices this would be exported at a very substantial loss, because domestic butter prices are fully 25 per cent above the world level when costs of exporting are included. There is no reason to suppose, however, that the carrying out of such a scheme, because prices will be unchanged to the farmer, will have any curb on production. In fact just the opposite trend might be encouraged, with consequent risk to prices for all dairy products.

Price Maintenance Difficult

With no uniform policy and common price for all dairy products, the maintenance of relatively very high prices for fluid milk in the cities would seem to be a most difficult matter. Reducing the various dairy products at present prices into a hundred pounds of average milk, it is about three times more profitable to ship milk for direct consumption into Montreal, Toronto, Winnipeg or Vancouver than it is to sell it to a cheese factory, creamery or condensers. Granted that it costs more to produce milk for human consumption, the wide differential is going to attract a flow of milk toward the city and the surplus is going to be aggravated. The authorities behind the present control policies, including the heads of the large dairy firms, are exceedingly sceptical as to whether these artificial milk markets within the country can be maintained.



Wholesale Value Food Products At Best Level for Three Years

Average Prices 10 Points Above Lowest Point of Depression Indicate Better Earnings for Food and Beverage Companies

Wholesale food prices so far this year have averaged within a fraction of the 1931 level. While this is only about 70 per cent of 1926 it is substantially above that of 1932 and more than six points higher than the average which prevailed in 1933.

The fluctuating but gradually rising line, as shown in the accompanying chart, is accompanied closely by an increase in employment and the two factors when combined would indicate better earnings for those companies dealing in food products.

Individual Reports Better

While the price graph is based on a dozen different lines, its steady return to the higher brackets is also borne out by individual commodity reports. Particularly is this true of meats, canned goods, beverages and fish, and gains here have been sharply reflected by the higher earnings either already reported or expected of such companies as Canadian Canners, Associated Canners and similar concerns, Canada Packers, Burns & Co. and other meat packing firms.

September 69.4

Using the 1926 prices as base of 100 for September the average price for the leading group of food commodities stood at 69.4, which represented a steady gain since July, and although behind the high point of the year reached in March, was .3 points above the January level. Individual commodities, of course, varied, as the accompanying table based on figures supplied by the Dominion Bureau of Statistics, indicates clearly.

Manufactured Lines Lead

Speaking very generally, those products which pass through a considerable manufacturing process have reached higher levels than those sold in a closer state to the original raw material. In other words, farm products like fruit, milk and vegetables have not recovered from the 1932 low to the same extent as beverages, bakery products, sugar and cured meats.

Flour Fluctuates

Beverages at 76.3 are well above the average of 69.4 reported in 1931 and have been for the last six months. The wholesale price here appears to be exceedingly steady with absolutely no fluctuations since the end of May, although the earlier part of the year witnessed a sharp rise.

Flour, on the other hand, appears to be one of those products which fluctuates very widely, the result, of course, of being connected with world markets, where prices and exchange are always active. The average for the year would be about 67 which while fully ten points below 1930, is approximately the same distance ahead of the average of the three years, 1931-1933. There has been a fairly substantial rise from the beginning of the year, but with many fluctuations from a low point of 62.2 in May.

Against the fluctuations in flour and other milled products there has been a remarkable uniformity in the level of bakery products, largely bread. Since the end of May this level has been maintained without variation at 82.7 which is a slight fall from the figure for the first three months of 83.3. Compared with 1931 the average price of bakery products is about half a point higher, but down considerably from 1930 which was almost as good as the base figure of 100 in 1926.

Fish, too, have fluctuated considerably in price though the last reported figure of 73.7 is about ten points above the average for the previous two years, although slightly below the 1931 level.

Fruits

Fruits, largely supported, no doubt, by the imported fresh and dried varieties such as oranges, lemons, raisins and currants, and also canned goods which have been rising, have remained steadier than might be generally supposed. The September level was 80.9 which is well above the average for 1933, though almost exactly ten points behind 1932 and more than that behind 1931. The average for the year to date would run slightly under the September level, but undoubtedly with heavy supplies of native fruits coming on the market now this figure may be pushed lower. Since June there has been a decline of almost 13 points.

Meat Products

Meat and poultry products at 71.5 for September reflect the general decline which has taken place in these since last June though the present price is almost 20 points above the 1933 and 1932 levels and just about equal to 1931. There has been very wide fluctuation here of from 58.2 in January to 74.2 in June.

While rising and falling in short cycles, milk and its products have been fairly consistent, moving up from a level of 65.7 last January to 71.4 in March, then declining rather sharply to 58.9 in July. Since then there has been a slow but steady rise to the September level of 61 which is slightly higher than both 1933 and 1932, but 12 points behind 1931.

Sugar Down

For the first five months of the present year sugar prices were enjoying a substantial premium over the 1926 level and were decidedly higher than in 1932 and 1931. In January the average is given as 107.2 with a gain of almost a point in February. Since then, however, a decline has taken place slowly at first, but with a sharp drop from 103.2 in May to 88.3 in June.

Vegetables which represent almost purely a local product show a very drastic decline and in September were at the lowest level reported, standing at 39.3 as compared with a high of the year of 57.9, an average of 53.7 in 1933, 40.3 in 1932 and 45.8 in 1931. A very large increase in market garden production, the result of both farmers and city unemployed going into this specialized business, has been followed by abnormally low prices for the increased production in recent years.

Prices of eggs at 64.0 in September, while somewhat lower than the 1931 level, are substantially higher than in 1933 or 1932. In the early part of the year, however, there was a rather sharp decline but no more than would be expected at this season of the year.

Tobacco

In compiling wholesale tobacco prices apparently the bureau has taken the values as paid to the farmer for the raw leaf. The figure of 39, which has been reported without any variation since March, is decidedly lower than the opening, more than four points behind the average for 1933 and about six points behind 1932. Prices of manufactured tobacco, it is understood, have shown no such variation and would stand very much higher than the level reported in the accompanying table.

WHOLESALE PRICES OF FOODS, BEVERAGES AND TOBACCO, 1930-1934

1926 = 100

	Group total	Beverages	Flour and prods.	Bakery prods.	Fish	Fruits	Meats and poultry	Milk and prods.	Sugar and prods.	Vegetables	Eggs	Tobacco
1930	93.1	80.3	78.8	98.2	95.2	109.5	103.6	94.6	81.1	90.8	100.2	68.1
1931	70.4	69.4	57.3	82.2	75.7	93.9	72.3	73.3	74.4	45.8	70.1	50.3
1932	61.5	69.5	56.0	81.8	63.9	90.2	53.4	59.2	73.9	40.3	60.6	44.6
1933	63.8	66.6	58.3	81.7	62.9	76.7	52.5	60.2	97.8	53.7	53.2	43.4
1934:												
January	69.1	71.7	64.2	83.3	68.8	78.4	58.2	65.7	107.2	54.1	65.3	44.5
February ...	73.1	73.2	66.6	83.3	69.6	74.9	68.1	68.0	108.1	57.3	86.7	44.5
March	72.5	74.3	66.6	83.3	69.6	75.6	69.6	71.4	107.1	57.9	54.2	39.0
April	69.9	74.2	63.4	82.6	69.5	76.6	67.5	68.1	104.1	56.4	42.4	39.0
May	68.0	75.7	62.2	82.1	68.1	80.0	67.7	60.5	103.2	51.2	46.6	39.0
June	69.5	76.3	68.4	82.7	68.9	93.7	74.2	61.9	88.3	48.7	49.7	39.0
July	69.2	76.3	71.1	82.7	68.6	88.4	72.8	58.9	88.2	47.2	54.2	39.0
August	68.9	76.3	73.0	82.7	70.4	85.8	71.1	59.6	86.5	43.4	54.5	39.0
September ..	69.4	76.3	71.0	82.7	73.7	80.9	71.5	61.0	86.2	39.3	64.0	39.0

Sugar Tax and Lower Price Fail to Boost Consumption

The sugar market in Canada during the year has grown steadily worse. Reduced consumption is apparent from shipment figures released by the Dominion Bureau of Statistics, while prices are now at the lowest point in over two years. Just as the increase in price occasioned by the imposition of the two-cent tax on sugar had no apparent effect on consumption, as recorded in this issue of The Financial Post last year, so the reduction of one cent in the excise tax which took place early this year, and the decline in price of 50 cents a hundred pounds from 1933 seems to have been unable to increase consumption.

The most recent price decline was one of 20 cents a hundred which became effective October 15, bringing the Montreal price to $4.10 per hundred as compared with $4.60 a year ago, excise tax extra in both cases. Total reduction to the consumer has therefore been 1½ cents a pound from a year ago.

In addition to the reduced consumption which has been evidenced during the earlier part of this year, it is generally conceded that the short crop of most canning fruits combined with admittedly smaller packs by the canners, has resulted in lessened demand for sugar for preserving purposes. Housewives have had to pay more for their preserving fruit than could be offset by the sugar price drop, with the result that less preserving has been done.

At the present time the market is weak throughout Canada—particularly so in Ontario—due both to the light demand and to the fact that the beet sugar crop will soon be processed and the product placed on the market. In Ontario, where the price is 30 cents a hundred below the rest of Canada as a result of a drop of this amount in July, the situation has been aggravated by the entry into the market of a new refinery.

Since June this year, surplus production from the plant of Crosse & Blackwell has been offered to wholesalers and chain stores at slightly less than the prevailing price. This factor resulted in the drop of 30 cents a hundred in July, referred to above. Crosse & Blackwell's plant was originally planned to supply sugar to the preserving departments of the business, but a considerable surplus production has since been built up.

It is generally conceded that the former established sugar plants in Canada were sufficiently equipped to produce about two and one-half times as much sugar as Canada consumes.

FLOUR MILLS' PROBLEMS BIG, GAINS SMALL

Recent Exports Drop — Price Situation Erratic

WHEAT TOO HIGH

Domestic Market Over-supplied as Foreign Markets Contract and British Flour Competes

Small improvement is expected to be shown in the financial statements of the flour milling companies, whose fiscal years ended in July or August.

During the past crop year, which ended July 31, the industry reported that 66,724,967 bushels of wheat were ground into flour. This is in contrast to 66,276,288 bushels in the 1933 crop year.

Flour Output Higher

Wheat flour production in Canada for the 1934 crop year totalled 14,954,974 barrels, as against 14,896,059 barrels for the previous year.

Other branches of the milling industry such as oatmeal, rolled oats, cornmeal and corn flour, did not record any material change in the past crop year, at least from the point of view of production. This end of the milling operations is usually fairly stable as regards marketing, so that income from these items is likely to be around normal.

Revenues In Doubt

In viewing revenue from wheat flour production, consideration must be given to both the domestic and export markets. The former is able to absorb only a portion of the whole output, consequently the export trade plays an important part in financial returns and operations. Ordinarily the export trade is not productive of anything in the way of substantial profits as the business is usually regarded as a factor in keeping down manufacturing costs, as domestic demand would only permit operation of the mills at a very small percentage of their capacity.

Exports Declining

During the 1934 crop year, Canada exported 5,454,636 barrels of wheat flour. This compares with 5,370,613 barrels in the previous year, but is only about half that exported five years ago.

years ago. Moreover recent exports show further sharp declines, August shipments of 412,089 barrels being down 68,000 from the same month in 1933, while September shipments were almost 200,000 less.

The gain in the volume of exports is not particularly marked, but the feature of this trade in the 1934 crop year is seen in the dollar return to the producer. In the past crop year, for example, exports had a value of $19,477,652 for an average of between $3.50 and $3.60 a barrel. In the 1933 crop year, exports were valued at $17,100,260, or an average of $3.20 a barrel. Thus during the 1934 crop year, unit value increased from 30 to 40 cents, while the aggregate value of shipments showed an improvement of around $2,300,000.

Depends on Wheat Cost

Whether this improvement was sufficient to cover the added cost of the wheat purchased in the last crop year, however, is a different story. If purchases were made at some of the lower levels in 1933 and at some of the higher levels in 1934 it is conceivable that a barrel of flour made from the same quality wheat in both cases might cost 50 cents more in 1934 than in 1933. In this case the net returns from export for the year just closed would be actually less than in the previous year. At any rate many millers claim that there was a substantial loss in the export business just concluded, both in actual net dollar returns and to a much greater extent in volume. To keep Canadian mills operating at a reasonable level, they state, exports should equal the domestic trade, or approximately 10,000,000 barrels in both cases. This has not been done in the last three years. With exports cut in two, competition in the domestic field it is maintained has been keener and profits less.

Domestic Prices Stronger

The extent of the gain or losses in the milling trade is largely determined by the domestic trade. Gross figures on production for the 1934 crop year would indicate a moderate gain in consumption, as the increase in exports is practically the same as the gain in production. On the other hand competition has been very severe and has been aggravated by continuous imports from English mills.

Increased earning power of the miller last year accordingly depended on the selling price of his products in the domestic market. While the materials entering into the manufacture of flour last year cost the miller slightly more than in the preceding year, the advance in price may have been sufficient to offset this charge. Number 1 patents at Toronto, for example, had an average value of $5.09 a barrel during 1933. For August, 1934, the same type of flour in Toronto had a selling price of $6 a barrel, an increase of around 20 per cent.

The manufacturers have benefitted by the fact that the inventories carried over from the 1933 crop year have appreciated in value. Just how much of this appreciation in inventory values will be taken into income accounts for 1934 remains to be seen. In any event the increase in inventory values should do much to strengthen the balance sheet position of the operators.

Company Chain Stores In Consolidation Era; "Voluntaries" Grow

Weeding Out Unprofitable Units Reduces Total Number

DOLLAR VOLUME LESS

Voluntary Groups Jump Ahead While Company-owned Chains Show Decline in Stores

Some time in 1931 company owned food chains reached their greatest development in Canada in so far as the total number of stores was concerned. Voluntary chains, on the other hand, that is groups of independent retailers buying as units, are now at the height of their expansion period.

Largely a post war development, the idea and various chains spread rapidly over the country more especially during the boom period which came to an abrupt close in the fall of 1929. Growth continued, however, into the following year and also into the early part of 1931 when the total number of chain grocery and combination meat, vegetables, fruit, and grocery stores reached a grand total of 1,447 according to a recent survey compiled by the Dominion Bureau of Statistics.

Consolidating Position

From that point, decline in numbers set in with the total reduced to 1,416 in 1932 and 1,357 in 1933. While figures for the current year are not available, it is generally understood that this decrease has continued. It must not be assumed, however, that the chain store is disintegrating. The present transformation, it is believed, is more in the nature of consolidation.

When the idea was new, apparently, it was just a question of buying, renting or building new stores. Chains spread throughout the country with, in many cases, little regard to the territory served. In the last few years, however, there has been a rigid culling over of these stores with unprofitable units discarded to the advantage of those left. The expansion policy while generally adopted was not followed in all cases. Some companies proceeded on the policy of not establishing a store in any community until a survey revealed that there were a sufficient number of people residing there to insure the volume of business believed necessary to make the venture profitable.

Sales Compared

Total sales in the last three or four years have assumed a somewhat similar trend to the number of stores but have no definite relation to the actual number of outlets. In this case declining prices was the biggest factor. In 1930, according to the Bureau of Statistics total sales of chain and combination food stores amounted to $128,391,800. Three years later this figure had declined to $102,940,000 or a decrease of almost 20 per cent. It is generally assumed, however, that this decline in dollar volume did not represent a similar decline in physical volume but rather a 15 per cent decrease in price as is indicated by the main chart on this page. Since 1933, the last year for which complete figures are available, the total dollar volume for all chains will probably show an upward trend, due to both prices and increase in business.

In this consolidation period for the company chain stores there has been another development in the last four years that is of interest. While the total number of all food chains declined there was a more or less general swing toward new territory in the form of combination stores or markets. In the early days the bulk of these establishments confined themselves to groceries only, later adding fruit and vegetables and more recently meats.

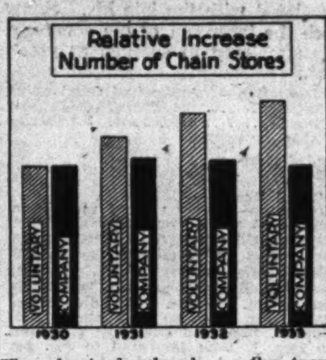
Voluntary Chains Grow

Coincident with the consolidation era of the company chain stores has been the expansion period for the voluntary chains. These voluntary chains operate on two principles. Sometimes it is a collection of absolutely independent retail stores which simply pool their purchases of supplies, not necessarily giving repeated orders to the same wholesaler. The other and much stronger group is sometimes partially financed by the wholesaler and orders through one wholesale firm only. The two classes totalled 27 chain systems in 1933 as against 23 in 1930.

In number of stores, however, there was amazing growth from 4,545 in 1930 to 6,170 in 1933, or an increase of over a third. The Bureau of Statistics states that it has been impossible to make an accurate estimate of sales of such establishments and so only the purchases from the wholesalers are used. Purchases a year ago were estimated at $26,740,000 as against $23,006,000 in 1930 or an increase of over 16 per cent.

Of this voluntary store chain business the wholesaler-retailer type consisting of the group more or less closely connected with a single wholesale had the bulk of the business. The number of such stores increased from 4,198 in 1930 to 5,625 in 1933 and the total purchases from $21,661,000 to $24,570,000 or an increase of 13 per cent. While much smaller, the independent merchants who simply pooled their purchases showed an increase of 61 per cent in buying power but of course they only amounted to a small portion of the total purchases by the general group of voluntary chains.

Trend of Chains



The chart clearly shows the trend to consolidation in company chain food stores in Canada. Voluntary chains of individually owned stores are still expanding in numbers. Comparison is made by showing each group on the base 1930=100.

COMPETITION STILL SERIOUS FOR BAKERS

Flour Higher, But Little Change in Bread Prices

Survey of the baking industry in 1934 shows conditions as keenly competitive as ever but with many of the larger companies better adjusted to the new state of affairs. With wheat up 15 cents a bushel this made nearly a difference of 67½ cents a barrel of flour on the basis of 4½ bushels of wheat to the barrel of flour but because of competitive conditions increased prices were not great. For instance, the Department of Labor correspondents in various cities of Canada showed the average cost of a loaf of bread to Canadian families to have increased from 5½ cents a pound at the end of June, 1933, to 5.8 cents a pound on June 30, 1934. Family flour in the same period advanced from 3 to 3.2 cents a pound.

Early in the depression competition was made keener by the fact that many former employees of baking companies, finding themselves without work as a result of the inevitable curtailment of operations started up small shops in various parts of Canada. Many smaller bakeries with inadequate ideas of accountancy also tried to get the volume of business they wanted by price reduction which made no allowance for depreciation factors. These things still continue.

One executive of a large bread company, when asked what would be the best indicator of reviving prosperity in the bread and baking industry generally, replied that a dwindling of relief figures would show things improving for the baking industry. Last summer numbers on relief were about one million persons. Before the depression all the loaves eaten by these people were sold through regular channels at retail prices obtaining. Now loaves are delivered to these people at wholesale prices which show little profit, if any, to most providers. It keeps up quantity production but returns from it are low.

There were at the end of 1932, 2,862 establishments whose principal products were bread, buns, pies, cake and pastry. This does not include products of the same kind from biscuit and confectionery establishments. The capital invested is $48,961,175 and the employees 16,856. These were paid $15,909,805 in 1932 as compared with $19,444,533 paid to 17,736 employees in 1930. Cost of materials in 1929 was $38,507,559 and in 1932 $23,431,275. Selling value of products dropped from a peak of $77,214,466 in 1929 to $53,450,352 in 1932. As already indicated cost of materials has since gone up as well as selling value of products.

Tea Imports Down But Coffee is Up

The spectacular advance of the past year and a half in the tea market is well illustrated in the Government reports on imports into Canada. The actual imports for 12 months ending with August this year were less by over half a million pounds than in the previous 12 months, whereas the value almost doubled, states Canadian Grocer.

Imports for 12 months ending with August were 39,497,549 lbs. valued at $8,981,312 compared with 40,065,269 lbs. in the previous 12 months valued at only $4,956,076.

Coffee imports present a different picture. Imports for the same period were 36,629,699 lbs. compared with 32,718,144 lbs., while its value was $3,964,992 as against $3,878,598 for the previous year. These statistics indicate that coffee consumption in Canada is definitely on the way up while tea is just about holding its own.

LIGHTER PACKS HELP CANNERS CLEAR STOCKS

Definite Promise of Complete Recovery from 1932

PRICES RISING

Light Crops This Fall Indicate Complete Clearance of Supplies Early in 1935

The present year will probably go down in Canadian canning history as the one of the great recovery. For the first time since 1931 are there any indications of a general clean-up of supplies of canned goods before the succeeding crop.

The depression really hit the Canadian canning companies in 1932. Previous to that there were only slight warnings in the increasingly larger packs but two years ago this was translated into an exceptionally heavy carryover. Coincident with large runs of fruit, tomatoes and other vegetables, consumer purchasing power sharply dropped in 1932 to the lowest point in many years. This immediately resulted in record carryovers by most of the larger canning companies and ruinously low prices in most lines. With the growth in inventory bank loans also mounted.

Light Crops Help

Last year saw a diminishing of these heavy carryovers and conditions in many lines were restored to something like near normal with the important exception of tomatoes. Unfortunately this exception was so important a line that the whole industry was affected. Improved consumer purchasing power helped the situation from the winter of 1933-34 onward and light crops in the last few months now promise to complete the work with most of the canning companies entering the 1935 season with practically all stock out of their warehouses. Indeed crops were so light this year, particularly in the fruit line that there is some danger of actual shortage.

Better Prices

Prices, it is understood, have been rising steadily and there is also a more definite prospect of export to the United States than there has been for many years. The situation there is rather serious in regard to certain canned lines and there is a possibility that the heavy duty against Canadian goods of this kind may be lifted.

In a recent issue of Canadian Grocer the situation is summed up as follows:

The canned peach market is considerably higher than a year ago, and has started a bit of a scramble on the part of large buyers for Australian peaches which will not be available until after the next pack in the spring. The Canadian crop, due to the cold weather last winter and the dry weather early in the year has been distinctly short—perhaps 50 per cent.

Choice Tomatoes Scarcer

On account of weather conditions the tomato pack latterly has been running largely to standard so that there is every indication of a fairly heavy pack of this grade and comparatively small packs of choice and fancy. There has been a substantial carryover from last year and tomatoes look to be about the one important product put up in tins that will be plentiful this year.

From all accounts canners of tomato juice are increasing their packs this year. Most of them were completely sold out of the 1933 pack. The demand for juice is increasing from year to year.

Corn and Peas Short

The corn pack in Ontario this year would be about 60 per cent of an average. There will be some carryover but not much. The two larger canning companies in Canada all have little compared with some years so that it looks as if the canned corn market is going to be a firmer one this winter. One company recently withdrew all prices on corn until it could size up this year's packs more definitely.

Canned peas are short and prices are strong. Some of the larger canners have announced an advance of 5c. per dozen on all grades.

Montreal Island Towns Tax Arrears Reduced

Tax arrears of 14 towns of Montreal Island under the jurisdiction of the Montreal Metropolitan Commission totalled $1,822,000 at Sept. 30, compared with $1,955,000 at Aug. 31, 1934, according to a recent report by J. H. Levesque accountant of the commission. The percentage of arrears to current tax levies for the group of municipalities at Sept. 30 was 23.1.

Only $13,000 of arrears was collected in September in the three bankrupt towns of the island, Pointe-aux-Trembles, Montreal North and St. Michel. Of this situation, Mr. Levesque commented to the commission:

"I would call your serious attention to the cessation of collection of arrears in the aided municipalities. This may have an important bearing upon the amount to be assessed by the commission for the current year on the contributing municipalities."

Companies reviewed in this section are indexed in the Investor's Index on page 1.

LOBLAW GROCETERIAS

Sales and Earnings Show Steady Improvement in Recent Months — Builds New Cold Storage Plant

Loblaw Groceterias Company operates a total of 11 stores, all of which are located in Ontario. These cover all of the larger cities and most of the principal towns from Windsor to Ottawa and north to Sudbury. All types of groceries are handled as well as meats, vegetables and fruit in the 25 combination market and groceterias now in operation. Five new combination stores are under construction, as well as a large cold storage plant to handle this new type of business adjacent to the company's central warehouse in Toronto.

Steady Improvement

In common with other chain grocery stores, dollar volume of sales showed a marked decline from the high point of $18,435,000 in 1930 to $14,219,000 in 1933 but since then there has been an improvement both in total sales and in profit. For the year ended May 31, 1934, the company earned $1.12 on the Class "A" and "B" stocks and paid $1.00 as compared with earnings of $1.18 in 1933 and $1.00 paid in dividends. Since the end of the last fiscal year, sales and profits have continued to improve with total sales for the eight weeks ended July 28, of $2,234,074 as compared with $1,986,921 for the same period in 1933. This was an increase of well over 12 per cent. Profits during the same period were $103,000 as compared with $98,632 for the same period in the previous year.

Manufacturing

The company has shown steady expansion since it was formeed in 1920 with two stores. The various manufacturing operations are carried on at the central warehouse in Toronto, these operations in themselves providing a profit. The company maintains a higher than average inventory in each separate store and the sales per store and earnings per store are substantially higher than the corresponding figure of other grocery chains operating on this continent. Because of the type of store operated, stores have generally been opened only in urban centres of fairly dense population although the company recently declared its policy of opening smaller stores in smaller towns throughout the provinces. Elaborate weighing and checking systems are understood to have been responsible for this company escaping any charges of short weights which have hit many of the other chain stores and independents since the recent check-up drive of the Dominion Government.

The company has a substantial interest in a chain of some 50 stores operating in New York State, largely centering on Buffalo. While this first venture into the United States field was understood to have been unprofitable, recently the reduced chain across the border, is understood to have been operating on a profitable basis.

Strong Liquid Position

The company has an exceedingly strong liquid position with current assets of some $3,891,227 of which over half is cash, government bonds or guaranteed investment certificates. At May 31, 1934, merchandise inventory stood at $1,837,880 as compared with $1,427,276 in 1933. Working capital exceeds $2,788,000 and the ratio of current assets to current liabilities at the end of the last fiscal year ran by three to one. Following the death of T. P. Loblaw, founder of the business, in April 1933, J. Milton Cork who had been associated with the late Mr. Loblaw since the inception of the company, was appointed to succeed as president.

Capitalization—	Authorized	Outstanding
Class A	600,000 shs.	447,331 shs.
Class B	600,000 shs.	383,300 shs.

(No par value).

Funded Debt— None.

Dividend Record— Dividends—Present rate $1 per annum on both A and B stock; class A entitled to cumulative preferred dividend of 50c. per annum, and equal participation with class B after payment of 50c. per share on class B; both payable 1st March, June, Sept. and Dec. Initial dividend of 12½c. per share on both stocks paid June 1, 1929; and quarterly thereafter to Dec. 1, 1929; increased to 20c. per share March 1, 1930 and to present rate June 1, 1934. Bonus of 20c. per share on both A and B shares paid Dec. 1, 1932; 15c. June 1, 1934.

Affiliated Company—Loblaw Groceterias, Inc.

Head Office—Toronto.

Officers and Directors—
Officers—J. Milton Cork, pres. and gen. mgr.; Charles B. Shields, vice-pres. and asst. gen. mgr.; Daniel Urquhart, vice-pres., sec. and treas.
Directors — J. Milton Cork, H. G. Muntz, Charles B. Shields, Daniel Urquhart, M. W. Waddington, Toronto.

Earnings per Share and Dividend Record:
Year end. May 31:

Classes A & B:	1934	1933	1932
Earned	$1.12	$1.18	$1.23
Paid	0.85	0.80	0.80
Extra	0.15	0.20	...

Seven Years Earnings—
Yr. end. May 31:

Year	Earnings $	Dividends $	Surplus $
1928	798,487	255,123	1,364,097
1929	922,202	416,631	1,798,996
1930	1,190,328	556,505	2,205,599
1931	1,206,635	680,673	2,225,075
1932	1,180,841	679,568	2,292,194
1933	1,131,852	838,377	2,776,038
1934	1,061,299	832,404	2,874,397

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Cl. A	18¼	14	21½	10¼	12⅝	9
Cl. B	17⅝	13½	21	10⅛	12	8

* To Oct. 16.

STOP & SHOP

Monthly Sales Increases Steadily Maintained Until July, 1934

Monthly sale increases were reported by Stop and Shop, Limited, from March 1933 until July of this year, when the steady record was broken by small decreases in August and September as compared with the same months a year ago. For the year ending Feb. 24, 1934, total sales were $6,164,050 as compared with $5,849,882 in 1933. A net profit for the same period was reported of $45,667 as compared with $12,321. The earnings per share on the preferred stock amounted to 82 cents in 1934 as compared with 22 cents the year previous. Working capital at the end of the 1934 fiscal year was estimated at $349,309 as compared with $276,266 in 1933. Of the $601,074 in current assets, inventory accounted for $463,489 and cash $97,087.

Operates 112 Stores

The company was incorporated in 1927. It operates a chain in Toronto, Montreal and Ottawa. At the end of the last fiscal year, 112 stores were being operated, 50 being located in Toronto, 54 in Montreal and eight in Ottawa. The head office and main warehouse are in Toronto and warehouses are also maintained in Montreal and Ottawa to facilitate distribution.

The present company was formed in 1932, its former name having been Arnold Bros. Ltd., a subsidiary of Consolidated Food Products Limited which had been incorporated in 1927. Consolidated Food Products Limited, was incorporated in 1928 to acquire the common shares of Arnold Bros. Ltd. and Pure Food Stores Limited.

Reorganization in 1932 resulted in the elimination of 50 unnecessary and unprofitable stores and using the money obtained from the sale of unneeded assets to reduce bonds, overhead expenses were greatly reduced. This was followed by changing methods by the management and intensive training of the personnel. First fruits of these were seen in the year ended February 28, 1933 when there was a profit of $12,231 after bond interest and adequate depreciation, and a net profit of almost four times as much in 1934.

Capitalization—	Authorized	Outstanding
Pref. 6% cum. .... Par $10.	$750,000	$555,500
Common ...... N.p.v.	*125,000 shs.	49,208

* 75,000 shares are reserved for conversion of preference stock.

Funded Debt— 6% 1st Mtge. S. F. bonds, Series A, due 1947, outstanding $644,500.

Dividend Record— Preferred—Entitled to 6 per cent per annum, cumulative, plus participation. Initial dividend of 25c. paid Apr. 16, 1934.
Common—None paid.

Subsidiary— Pure Food Stores, Ltd., Montreal. Wholly owned.

Head Office—1385 Bloor St. W., Toronto.

Officers and Directors—
Officers—Robert H. Hommel, pres.; H. R. Berg, George A. Wright, vice-pres.; George C. Anspach, sec.-treas.
Directors—H. B. Housser, A. D. Cobban, Robert H. Hommel, W. S. Morlock, E. F. Coste, T. A. McAuley, H. R. Berg, George A. Wright, Toronto; Brian Barrett, Kitchener.

Times All Interest Earned—

Year End	Feb. 24 1934	Feb. 25 1933	*Feb. 27 1932
Before depr.	3.64	2.56	0.54
After depr.	2.32	1.34	0.03

Earnings per Sh. and Dividend Record:

Pref. (new):			
Earned	$0.82	$0.22	...
Paid	nil	nil	...
Com. (new):			
Earned	nil	nil	...
Paid	nil	nil	...

* 11 months.

Market Record—

	*1934 H	L	1933 H	L
Common	9	4½	10½	4

* To Oct. 16.

THRIFT STORES

Intense Competition Cuts Into Chain Store Profits

Grocery chain store competition in the Montreal area has been particularly severe this year, with the result that operations have been conducted at little or no profit. The situation has affected Thrift Stores, as well as other operators. The interim financial statement of the former for the half year ended September has not yet been made public, but with its appearance shareholders will be in a position to judge the effects of the adverse conditions on operating returns.

In the last fiscal year ended March 31, 1934, Thrift Stores had a net operating profit of $110,700, or practically the same as in the preceding twelve months. After taking care of all senior expenses, including dividends on the first and second preference stock, there was a surplus available of $38,376 for common stock dividends. Dividends on the common stock were initiated a year ago last July.

Capitalization—	Authorized	Outstanding
1st pref. cum. 6½% Par $25.	$350,000	$342,750
2nd pref. 7% .... Par $10.	120,000	120,000
Ordinary ..... N.p.v.	*57,000 shs.	20,000 shs.

* 36,420 shares reserved for conversion of 1st and 2nd preferred shares.

Dividend Record—
1st Preference—6½ per cent per annum, cumulative from Oct. 1, 1929. ;Payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Jan. 2, 1930, and regularly since.
2nd Preference—7 per cent per annum, cumulative from Oct. 1, 1929. Payable quarterly, Jan., April, July and Oct. 1. Initial dividend paid Jan. 2, 1930, and regularly since.
Ordinary—40 cents per share per annum, payable quarterly Jan., Apr., July and Oct. 1. Initial dividend of 10 cents paid July 1, 1933 and regularly since.

Subsidiary— M. Rudolph Limited—Wholly-owned by parent company and earnings consolidated with those of latter.

Head Office—Montreal.

Officers and Directors—
Officers — D. S. McMaster, chm. of board; W. M. Hodgson, pres.; J. Schafran, vice-pres. and gen. mgr.; T. F. Mundy, sec.-treas.
Directors—D. S. McMaster, J. Schafran, Allan M. Mitchell, A. F. Byers, W. M. Hodgson, W. A. Merrill, W. E. Dunton, A. E. Howard, F. J. Campbell, all of Montreal.

Earnings per Sh. and Dividend Record:
Yr. end. Mar. 31

	1934	1933	1932
1st pref.:			
Earned§	$5.04	$4.70	$4.95
Paid	1.62½	1.62½	1.62½
2nd pref.:			
Earned§ ..	3.90	3.50	3.88
Paid	0.70	0.70	0.70
Ordinary:			
Earned§ ..	1.92	1.68	1.91
Paid	0.40	...	...

§ Based on net profit which was before income tax in 1932 but after income tax and adjustments in 1931.

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930*	54,488	10,004	†29,094
1931	95,780	31,150	55,189
1932	107,131	31,150	93,296
1933	111,837	30,796	119,713
1934	110,700	38,679	150,089

* For period from Aug. 3, 1929 to Mar. 31, 1930.
† Before income tax provision.

Market Record—

	*1934 H	L	1933 H	L
Ordinary	11¼	8	14	7¾
1st preferred ...	25	18	30	21

* To Oct. 16.

A. & P. STORES

Operates 300 Canadian Stores But Issues No Separate Report

The Great Atlantic & Pacific Tea Co. is the Canadian subsidiary of one of the oldest chain store companies on this continent. There are about 300 stores operating in Canada, of which slightly more than half are in the Ontario division, and the remainder in Montreal and other cities of Eastern Canada. In addition to groceries, this company handles fresh meats, fish, fruit and vegetables. There is little investment interest in the company in Canada, and Canadian sales and earnings figures are not available.

The history of the parent company extends back to 1858 when the original first charter was granted in New Jersey. The parent company operates throughout United States, as well as Eastern Canada and is now the largest retail grocery chain on the North American continent with some 15,000 stores.

BUYWELL FOOD

Larger Earnings Reported for Year Ended June 16

Buywell Food Market, operating a chain of food stores in Montreal, reports profits of $8,124 for the year ended June 16 last, as compared with $6,823 in 1933. Sales were reported above the previous year, a gain being made by those stores which formerly reported losses.

Dividend requirements on the company's preferred stock were covered by a substantial margin and the surplus and the profit and loss account as at June 16 stood at $12,152 before income tax.

The liquid condition of the company underwent an improvement during the past year, working capital in June amounting to $24,132, or about $5,000 more than reported at the end of the previous year.

Capitalization—	Authorized	Outstanding
1st pref. 7% cum. Par $10.	$500,000	$43,290
Common .... n.p.v.	200,000 sh.	200,000 sh.

Dividends— Initial dividend on 1st preferred paid Oct. 15, 1932, and regularly each August since. None paid on common.

Head Office—Montreal.

Officers— M. Zahler, pres.; C. Burns, vice-pres.; W. A. Stanford, sec.; J. H. Magid, treas. and gen. mgr.

BLUE RIBBON

Net Profit Up in 1934 — Settlement With Willards Ltd.

Blue Ribbon Corporation is a holding company organized in March 1930 to acquire all the outstanding shares of the Pure Gold Mfg. Co. Ltd. and the Blue Ribbon Ltd. These subsidiaries are engaged in the manufacture of baking powder, spices, cereals, etc. and are importers and packers of tea, coffee, cocoa, etc.

In November 1931 the corporation completed negotiations for control of Willard's Chocolate Limited, under a conditional agreement whereby Blue Ribbon guaranteed dividends on the preferred stock of Willard's Chocolate Ltd. and took an option to buy common stock of Willard's at $15 per share on or before April 15, 1935. Willard's preferred dividends have not been paid since 1932 as this part of the agreement was in dispute until December 11, 1933 whereby Blue Ribbon Corporation was released from all liability under the agreement with the Willard's preferred shareholders on November 7, 1931.

For the year ending June 30, 1934, a net profit of $75,259 was reported as compared with $70,510 in 1933. This equalled $2.52 per share on the preferred stock of which $2 was paid as dividends.

Capitalization—	Authorized	Outstanding
Common .... No par value.	150,000 shs.	63,475 shs.
Pref. cum. conv. .	$1,500,000	$1,492,500

Dividend Record—
Preferred—Entitled to 8½ per cent cumulative, payable Feb., May, Aug. and Nov. 1. Paid regularly from Aug., 1930 to Nov., 1931; rate reduced to 4 per cent by payment of 50c. Feb. 1, 1932; paid regularly at this rate since.
Common—None at present; former rate $2 per share per annum, payable Feb., May, Aug. and Nov. 1; paid regularly from July, 1930 to Nov., 1931; none since; dates of payment changed May, 1931.

Subsidiaries—
Pure Gold Manufacturing Co., Ltd.—Common stock outstanding 50,000 shs. n.p.v., all held by parent company.
Blue Ribbon, Limited—Preferred stock outstanding $1,000,000, par $50; common stock 30,000 shs. n.p.v., all owned or controlled by the parent company.

Head Office—Toronto.

Officers and directors—
Officers—W. S. Greening, chm. of board; J. M. deC. O'Grady, pres.; C. E. Spooner, vice-pres.; J. C. Jamieson, sec. treas.; J. Ball and W. K. Fraser, asst. sec.
Directors—W. S. Greening, Lt.-Col. J. F. Michie, C. E. Spooner, A. C. Matthews, Toronto; J. Ball, William Hood, J. M. deC. O'Grady, Winnipeg.

Earn. per Share and Div. Record—
Year End. June 30:

	1934	1933	1932
Pref.: Earned	$2.52	$2.45	$2.76
Paid	2.00	2.00	2.62½
Common: Earned*	nil	nil	nil
Paid	nil	nil	‡1.17

* After deduction of full year's preferred dividends.
‡ Included two quarterly payments, 50 cents each, and adjusting dividend of 17 cents per share.

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	254,688	242,499	†121,533
1931	265,929	192,251	†139,993
1932	128,313	149,852	42,341
1933	130,882	57,590	55,261
1934	154,589	58,645	71,875

† Subject to income tax.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	6	4	6	1	8	2
Pref.	32	23	23¼	10	25	9

* To Oct. 16.

WILLARD'S

Business Slightly Better, Especially in Western Canada

Business of Willard's Chocolates Ltd. is understood to be slightly improved this year, especially in Western Canada. It is anticipated that the company will show an improvement over the results of 1933 when a net loss of $14,935 was suffered after provision of $53,000 for depreciation.

Late in 1933, holders of the preferred shares agreed to forego dividends until March 1, 1935. Blue Ribbon Corp. had guaranteed the preferred dividends from 1931 to March 1, 1935, but did not continue its guarantee, alleging breach of contract on the part of Willard's. Consequently, preferred shareholders of Willard's accepted $3 a share in cash and one quarter of a preferred share of Blue Ribbon in settlement of dividends up to March 1, 1935.

Blue Ribbon Corp. has agreed to purchase at least 75 per cent of the common shares of Willard's Chocolates at $15 each on or before April 15, 1935. Most of the common shares, therefore, are deposited with the National Trust Co. under the deposit agreement. Sixty per cent of the 15,001 Willard's common shares must be deposited to make the purchase obligatory on Blue Ribbon Corp.

Willard's manufactures all types of solid chocolate products and distributes them throughout the Dominion and other countries. The plant, located at Toronto, has a daily capacity of 40,000 pounds of chocolate and 30,000 pounds of confectionery. A box factory and printing plant are also operated.

Capitalization—	Authorized	Outstanding
Pref. cum. ..... Par $100.	$1,250,000	$474,000
Common .... N.p.v.	15,001 shs.	15,001 shs.

Dividend Record—
Preferred—6½ per cent cumulative from Mar. 1, 1935, payable 1st March, June, Sept. and Dec. Payments made by Blue Ribbon Corp. Mar. 1 and June 1, 1932, under its guarantee. Settlement of dividends to Mar. 1, 1935, made in Dec., 1933, by payment of $3 cash and ¼ pref. share of Blue Ribbon Corp. on each share of Willard's preferred.
Was 8% cumulative, paid Sept., 1920, to Sept., 1930. Dividend due Dec. 1, 1930, passed.
Common—None paid.

Head Office—Toronto.

Officers and Directors—
Officers—W. S. Greening, pres.; C. E. Spooner, vice-pres. and man. dir.; J. C. Jamieson, treas.; E. M. Bragg, sec.
Directors — W. S. Greening, C. E. Spooner, D. H. McDougall, H. B. Housser, J. W. Mitchell, all of Toronto; J. M. de C. O'Grady, Winnipeg.

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	47,182	38,400	7,175
1929	176,466	37,920	35,115
1930	94,060	28,440	40,735
1931	*21,557	......	*35,822
1933	38,065	......	*26,997

*Deficit.
Note—No statement issued for 1932.

DOMINION STORES

Company Operates Over 500 Stores in Eastern Canada — Montreal Price War Hurts Profits

Dominion Stores Limited operate one of the largest chain store systems in Canada. Retail outlets are located in Ontario, Quebec and the Maritime Provinces. Operating on a low margin of profit, the company depends upon volume of sales. These reached the peak of $25,200,000 in the year ended December 31, 1931, at which date the company had 572 stores. Since then, however, both the total volume of sales and the number of stores has declined.

For the year ended Dec. 31, 1933, the company had 505 stores in operation of which there were approximately 100 in Toronto, 125 in Montreal and the remainder scattered from Windsor to Halifax. Of the total number of stores, 139 are market or combination grocery, meat, vegetable and fruit stores. The company also owns two large warehouses, one in Toronto and the other in Montreal, a tea packing plant and a bacon and butter cutting room. Formerly the property also included three bakeries, one each in Toronto, Montreal and London, but during 1933, these operations were discontinued and contracts were made with bakery companies for bread requirements.

Gross sales for the year ended December 31, 1933 totalled $19,758,368 as compared with $23,042,273 in 1932. Net profits during these same periods declined from $361,621 to $339,279. For the six months ended June 30, 1934, sales were $9,756,205 as compared with $9,821,790 for the some period in 1933 and earnings dropped from $176,774 to $120,224, or from 55 cents per share for the first six months of 1933 to 42 cents per share in 1934.

Montreal Competition

The drop in earnings was attributed largely to a highly competitive situation in Montreal, where it is understood that a cut price war seriously affected both the sales and profits of the company. As one fourth of the Dominion Stores retail outlets are located in Montreal, this price war seriously affected the earnings of the company.

This company is in a very strong liquid position with a working capital of $2,714,066 reported at June 16, 1934 as compared with $2,689,642 for the year previous, or a ratio of 3.2 to one at the last report. Inventory makes up the chief item in the current assets with a total volume at the end of the last fiscal year of $2,584,031. Cash, government bonds and investment certificates amounted to about three quarters of a million.

Capitalization—	Authorized	Outstanding
Common .... (No par value).	1,000,000 shs.	282,382 shs.
Pref. 6½% ..... (Par $100).	$5,000,000	None

Funded Debt— None.

Dividend Record— Common—Present rate $1.20 per share per annum payable Jan., Apr., July and Oct. 1, paid regularly since July, 1929, 2 per cent stock bonus paid June, 1930; 30c. cash extra paid Jan. 2, 1932.

Head Office—Toronto.

Officers and Directors—
Officers—Morley Smith, pres.; E. G. Wills, vice-pres.; W. F. Stewart, sec.-treas.; F. R. Paget, asst. sec.; C. F. Hatton, asst. treas.
Directors—W. S. Kies, chairman, New York; Morley Smith, E. G. Wills, W. F. Stewart, R. R. Corson, Toronto; John B. Jameson, R. C. Murchie, Concord, N.H.; G. S. Armstrong, L. L. Vivian, New York; Dr. C. W. Colby, R. O. Johnston, Montreal.

Earnings per Share and Dividend Record:

	1933	1932	1931
Com.: Earn...	$1.20	$1.28	$1.85
Paid	1.20	1.20	1.20+0.30

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	531,145	189,000	824,068
1928	598,819	266,062	1,113,996
1929	494,250	313,076	1,071,149
1930	601,263	335,436	1,267,003
1931	630,967	419,413	1,201,049
1932	497,033	338,858	1,113,623
1933	504,325	338,858	1,077,276

Six Months Ended June 30—

	1934 $	1933 $
Sales	9,756,205	9,821,790
Earnings	120,224	156,774
Earnings per share .	0.42	0.55

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	23	13⅞	27½	12⅞	20⅛	13

* To Oct. 16.

CONNORS BROS.

Export Business in Canned Fish Shows Steady Expansion

Investment interest in Connors Bros., operators of the largest sardine canning factory in the world at Black's Harbour, N.B. is largely limited to the outstanding first mortgage bonds. Since the new management took hold, the company's plant has been greatly extended and an export market developed. In 1929, the company opened a modern shook mill for the manufacture of box shooks in connection with the sardine industry and also took over certain tracts of timber land.

Early in 1930 a new factory was completed at Freeport, N.S. to be used for the canning of finnan haddie and chicken haddie. In addition a new fish meal plant has been installed and it is expected that this department will develop into an important producer. In 1933 a plant was opened for the canning of kipper snacks. All securities of the company are closely held. Dividends of seven per cent per annum on the preferred stock have been paid regularly while dividends on common have fluctuated from as high as $8 per share in 1930 to around $2.00 in more recent years.

During the past year it is understood that the export business of the company has shown considerable improvement as a result of the lower Canadian dollar, allowing Canadian export to compete on more even terms with those of other countries where currency has also depreciated. While there has been some increase in the cost of raw materials such as tin plate and oil, this has been offset by better prices, it is understood.

Dividends on the common stock for 1933 are understood to have been at the rate of $1.25 per share. The export market of this company in Great Britain, it is reported, has been somewhat complicated by reports of a successful lawsuit by an Old Country distributor of Connors Bros. products who claims that the company was marketing a similar product under a slightly different name through another channel.

No financial statement is issued by the company.

Capitalization—	Authorized	Outstanding
Pref. ($100 par) ..	$250,000	$250,000
Common (n.p.v.)	5,000 shs.	4,000 sh.

Funded Debt— 6½ per cent first mortgage sinking fund coupon bonds, due 1938; outstanding, $125,000.

Dividend Record—
Preferred—7 per cent payable quarterly, Mar., June, Sept. and Dec. 1.
Common—$5 paid in 1927; $6 in 1928; $7 in 1929; $8 in 1930; $4 in 1931; and $2 in 1932.

Head Office—Black's Harbour, N.B.

Officers and Directors—
Officers—A. N. McLean, pres.; L. V. Lingley, vice-pres.; A. M. A. McLean, treas.; J. M. Scovil, sec.
Directors—A. N. McLean, L. V. Lingley, J. M. Scovil, Saint John, N.B.; C. H. Easson, Toronto; A. M. A. McLean, Black's Harbour, N.B.; Hon. B. M. Hill, Montreal.

Holsum Packing Co.

Has Paid Off Mortgage

Holsum Packing Co., with head office at Victoria, B.C., manufactures jams, jellies, pickles, sauces and has facilities for canning fruits and vegetables. The company has paid no dividends on preferred stock since November, 1929, but has paid off mortgage on the plant. Total assets of the company are about $48,000.

Capitalization—	Authorized	Issued
Pref. 7% cum. ..... Par $10.	$50,000	$18,680
Common .... Par $1.	50,000	23,269

Dividend Record— Preferred—Entitled to 7 per cent cumulative, payable June and Dec. 15; in arrears since Nov., 1929.

Officers and Directors— J. E. Sladen, pres.; A. H. Alexander, mgr. and sec.; H. Beach, I. M. Nodek, L. Batchelor, Victoria; R. S. Twining, Gordon Head, B.C.; E. Livesey, Sidney, B.C.

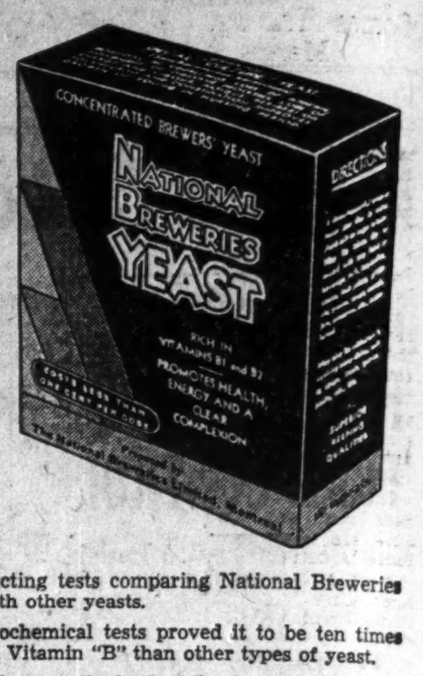
Head Office—Victoria, B.C.

SCIENTIFIC RESEARCH

. . . Proves that

NATIONAL BREWERIES YEAST

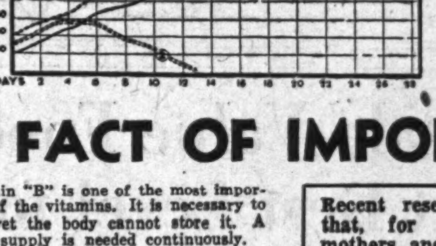
is 10 TIMES RICHER in Vitamin "B" than other types of Yeast



Official tests show a remarkably high content of this important Vitamin

Brewers' Yeast has long been recognized as the world's richest known natural source of Vitamin "B." National Breweries yeast is pure brewers' yeast dried and flaked.

In order to prove conclusively its high vitamin content we asked a firm of noted Canadian chemists to co-operate with distinguished research scientists in conducting tests comparing National Breweries Yeast with other yeasts.



These biochemical tests proved it to be ten times richer in Vitamin "B" than other types of yeast.

Here is the growth chart of three groups of young animals, fed on exactly the same diet except that the only Vitamin "B" they received was supplied by the addition of different yeasts.

Curve No. 1 shows the growth of those receiving a specified amount of National Breweries Yeast each day; Curve No. 2, of those receiving an equal weight of dried bakers' yeast daily; and Curve No. 3, of a group receiving a quantity of dried bakers' yeast ten times greater than the weight of National Breweries Yeast fed the group in curve No. 1.

You will note that it required ten times more dried bakers' yeast than National Breweries Yeast to secure an equal rate of growth.

FACT OF IMPORTANCE TO YOU

Vitamin "B" is one of the most important of the vitamins. It is necessary to life, yet the body cannot store it. A fresh supply is needed continuously.

75 Units in a Teaspoonful

The biological assays that proved National Breweries Yeast so much richer than others, also measured the actual quantity of Vitamin "B" in this yeast.

It was definitely determined that 75 units of Vitamin "B" (International Standard) are contained in every level teaspoonful of National Breweries Yeast.

Recent research has shown that, for the welfare of mothers and babies both in the confinement and nursing periods, four to five times more vitamin is required than normally.

Adult Needs

The average adult must have about 700 units of Vitamin "B" each day to keep in good health. The average household diet does not usually supply this quantity and the extra needed to keep in top notch form is often lacking and that is why National Breweries Yeast can be so valuable to you.

Two or three teaspoonfuls a day are all you require unless you are very much below par.

The Natural Bitter Flavour is Good for You

It stimulates appetite and aids digestion. Without it you would have to take more yeast to obtain the same results. So remember, the *natural* taste is *better* for you and *costs you less*.

NATIONAL BREWERIES YEAST

THE NATIONAL BREWERIES LIMITED - MONTREAL

Canada Importing More Rubber Direct

A quite noticeable increase in the importation of raw rubber from British Malaya to Canada direct has been taking place. The quantity, still comparatively small, has just about doubled during the present fiscal year, amounting since March to considerably over one million pounds.

The great bulk of our raw rubber comes via the United States, amounting in August to nearly 3,600,000 pounds

A Canadian Enterprise Grown to International Magnitude

Weston's make quality biscuits in Canada, Scotland, England and the United States. In that statement is encompassed an epic story of Canadian achievement.

For George Weston, Limited, thoroughly Canadian in origin, in development, in direction, has become one of the world's greatest biscuit making enterprises.

This growth is based on the determination of Weston's to make biscuits of the highest possible quality.

The growth itself is evidence of the successful pursuit of this determination.

Weston quality is today successfully competing against the best products of domestic manufacturers in the British Isles and in the United States. In Canada Weston dominates the quality biscuit market.

GEORGE Weston LIMITED

MAKERS OF ENGLISH QUALITY BISCUITS

TORONTO EDINBURGH LONDON, Eng. PASSAIC, N.J. BRANTFORD CALGARY

CANADA PACKERS LTD.

Comes Through Reconstruction Period Following Merger With Working Capital Built Up and Arrears Paid

Canada Packers Ltd., the largest exporter and manufacturer of packing house products in the Dominion, is now reaping the benefit of careful policies followed ever since its formation in 1927 through a merger with Harris Abattoir Co., Gunns Ltd., Canadian Packing Co., and the Wm. Davies Co.

Since the merger the company has been steadily adjusting itself to the changing price situation after 1929 and has been taking advantage of the export market which has been assuming increasing importance since the Ottawa Conference which gave Canada a very large quota of the British bacon market.

Though this period operations have been consolidated as far as possible and every possible economy made to bring the industry out of the era of losses which previously faced some of the largest companies in the Dominion. Faced with insufficient working capital at the time of the merger the company set to work to build up this deficiency before dividends should be paid. This objective was practically reached at the end of the last fiscal year and in addition all arrears on the preferred stock were cleared off and the way paved for dividends on the common.

Third Best Year

For the year ended March 29, 1934, the company reported a net profit of $1,429,670 as against $607,672 for 1933, or more than twice as much. After paying up all previous arrears on the preferred stock or $663,404 and the regular four quarterly dividends of $1.75 on this stock there was a surplus for the year of $373,998. This compares with $185,418 for the previous period. On the 200,000 outstanding common shares there was available on the year's earnings of $1.87 per share. Only in two other years, 1929 and 1930, have profits been comparable to those for the year closed last March.

Total sales for the last fiscal year were $54,380,430 and total weight of goods sold 623,759,263 pounds. Based on value the profit figures out at 2.6 per cent or one-quarter of a cent per pound. This compares with the average for the last seven fiscal years of 1.43 per cent or one-fifth of a cent per pound.

Current Conditions

Little encouragement of large dividends for the common shareholders in the immediate future is given in the last report. Profits, it was admitted, were satisfactory and were only slightly lower than those preceding the depression, but, it was stated, these profits were due to the advance in prices on those products handled by the company, chiefly bacon, and these advances have not continued into the present year.

Capitalization—	Authorized	Outstanding
Pref. 7% cum. .. Par $100.	$10,000,000	$6,033,500
Common, n.p.v...	200,000 sh.	200,000 sh.

Funded Debt—
None. As at March 29, 1934, bond issues of subsidiary companies outstanding amounted to $4,592,900.

Dividend Record—
Preferred—7 per cent per annum, cumulative from July 1, 1927; payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid April 1, 1929, and regularly since. Initial payment on arrears account of $1.75 per share paid July 3, 1933; $3.50 paid Oct. 2, 1933; $1.75 paid Jan. 2, 1934; and final payment of $3.50 on arrears paid Apr. 2, 1934.
Common—None paid.

Subsidiaries—
William Davies Company, Inc.
The Harris Abattoir Company, Ltd.
Canadian Packing Company, Ltd.
Gunns Limited.

Head Office—Toronto.

Officers and Directors—
Officers—J. S. McLean, pres.; E. C. Fox, T. F. Matthews and W. T. Harris, vice-presidents; S. G. Brock, sec.-treas.; N. J. McLean, gen. mgr.
Directors—J. S. McLean, E. C. Fox, T. F. Matthews, N. J. McLean, W. S. Cameron, S. G. Brock, W. T. Harris, A. L. Laing, A. G. Hall and C. Laursen, all of Toronto, Ont.; Joseph Harris, Winnipeg, Man.; G. S. Matthews, Peterborough, Ont.

Earn. per Share and Div. Record—

Year End.	Mar. 29, 1934	Mar. 30, 1933	Mar. 31, 1932
Pref.: Earned ..	$23.70	$10.07	$7.46
Paid	7.00	7.00	7.00
Common: Earn.†	5.04	0.93	0.14

†In 1934, common share earnings are based on net profit less the full year's preference dividends, but before deducting payment of arrears; in former years, the earnings are based on net profit less the full year's preference dividends, but before taking arrears of preference dividends into account.

Six Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	1,503,298	115,939	2,598,444
1930	1,552,072	444,738	3,706,569
1931	838,112	435,395	4,111,638
1932	450,303	422,319	4,073,622
1933	607,672	422,254	4,259,040
1934	1,429,670	1,055,672	4,633,038

*After all expenses, bond interest, income tax provision for current year and additional amounts for prior years in 1934 and 1933, and depreciation.

Wm. Davies Co., Inc.
(Controlled by Canada Packers)

Capitalization—	Authorized	Outstanding
Class A com. ...	60,435 shs.	60,435 shs.
Class B ...	60,000 shs.	60,000 shs.

(No par value).
Canada Packers Ltd. owns all except 31 shares of Class A stock and all the Class B stock.

Funded Debt—
First mortgage sinking fund bonds, Series B, authorized $1,500,000; none issued. Series A bonds redeemed May 1, 1934.

Subsidiaries—
The William Davies Company, Limited—Operates the Canadian properties of the company.
The company has outstanding $4,000,000, 6 per cent First Mortgage Demand gold bonds held as collateral to the bond issue of William Davies Company, Inc.
Ontario Fertilizers Limited—An affiliated company.

National Canned Meats, Limited—Situated at Toronto.
Federal Cold Storage & Warehousing Co.—Operates a cold storage plant on Front St., Toronto. Entirely owned by parent company.
Duane Produce Co. — An inoperative plant, located at New York.
Head Office—Chicago.

Officers and Directors—
Officers—E. C. Fox, pres.; R. W. Perry, vice-pres.; S. G. Brock, sec.-treas.
Directors — E. C. Fox, J. S. McLean, N. J. McLean, R. W. Perry and S. G. Brock, all of Toronto, Ont.

Harris Abattoir
(Entirely owned by Canada Packers)

Capitalization—	Authorized	Outstanding
Common stock ..	$5,000,000	$2,555,000

(Par $100. All owned by the parent company).

Funded Debt—
Six per cent first mortgage sinking fund bonds, series A, due 1947; outstanding $3,097,900.

Subsidiaries—
Harris Abattoir (Western) Limited—St. Boniface, Man.
Ontario Fertilizers Ltd.—Owned jointly by this company and Wm. Davies Co., Inc.
Canadian Gas and Equipment, Ltd.
Public Cold Storage and Warehousing Co.
Sales Companies—In addition the company operates as separate companies, four sales subsidiaries in Nova Scotia, Quebec, New Brunswick and Saskatchewan.

Head Office—Union Stock Yards, Toronto.

Officers and Directors—
Officers — W. T. Harris, pres.; J. S. McLean, vice-pres.; J. Harris, vice-pres.; S. G. Brock, sec.-treas.; C. Wadge, asst. sec.; W. S. Cameron, man. dir.
Directors—J. Harris, Winnipeg; J. S. McLean, S. G. Brock, W. T. Harris, N. J. McLean, W. S. Cameron, J. S. Willis, C. C. Polkinghorne, C. Wadge, C. Laursen, all of Toronto.

Gunns Ltd.
(Entirely owned by Canada Packers)

Capitalization—	Authorized	Outstanding
Common (n.p.v.)	3,000 shs.	3,000 shs.

The entire capital stock is owned by Canada Packers.

Subsidiaries—
Walkerton Egg & Dairy Co., Limited—Walkerton, Ont.
Wellington Product Co., Limited—Harriston, Ont.
Gunn, Langlois and Company, Limited.

Officers and Directors—
Officers—J. S. McLean, pres.; Brig.-Gen. J. A. Gunn and N. J. McLean, vice-pres.'s; S. G. Brock, sec.-treas.
Directors—J. S. McLean, N. J. McLean, Brig.-Gen. J. A. Gunn, W. S. Cameron, and S. G. Brock, all of Toronto.

Canadian Packing
(Entirely owned by Canada Packers)

Capital Stock—
All owned by Canada Packers, Ltd.

Officers and Directors—
Officers—T. F. Matthews, pres.; J. S. McLean, vice-pres.; S. G. Brock, sec.-treas.
Directors—T. F. Matthews, J. S. McLean, N. J. McLean, E. C. Fox, G. S. Matthews, W. S. Cameron, S. G. Brock, all of Toronto.

CAN. VINEGARS

Company Has Had Consistent Records of Earnings Since Formation

Canada Vinegars Limited, which controls the major part of the wholesale vinegar production of Canada, has had a consistent record of earnings since the company was formed in 1928 and publicly financed. The history of the concern goes back beyond that incorporation to a merger of six companies in 1896 and expansions have continued until at the present time the company controls 13 plants. Five of these are located in Ontario, three in Quebec, two in Manitoba and one each in Alberta, Saskatchewan and British Columbia. While there is some export, the company's main business is in the domestic field.

Dividends of $1.60 per annum have been paid regularly on a quarterly basis, since the company was incorporated. These have also been earned regularly, the earnings in 1932 amounting to $1.65 per share as compared with $1.73 in 1933. It is understood that during the current year, earnings have been just as satisfactory.

Capitalization—	Authorized	Outstanding
Common	100,000 shs.	92,000 shs.

No par value.

Dividend Record—
Common—$1.60 per annum, payable quarterly, Dec., March, June and Sept. 1. Initial dividend of 40 cents paid Sept., 1928 and regularly since.

Subsidiaries—
Western Vinegars Ltd.—Operates western plants of parent company in Winnipeg (2), Calgary, Edmonton and Vancouver. Capital Stock: pref. 7% redeemable, cumulative, authorized $500,000, issued $311,600, $100 par; common, 15,000 n.p.v. shares authorized and issued, 98% of common and all but 250 shares of preferred stock owned by parent company.
The Lion Vinegar Co. Ltd. — Operates plants in Quebec province, two in Montreal and one in Quebec City. Entire capital stock owned by parent company.

Head Office—112 Duke St., Toronto.

Officers and Directors—
Officers—C. L. Carsley, pres.; A. L. Spalding, vice-pres. and gen. mgr.; E. S. Scott, asst. gen. mgr.; E. A. Isard, supervisor of factories; F. H. Yapp, hon. sec.; Percy L. Howell, sec.-treas.
Directors — A. L. Spalding, P. W. Powell, W. E. Young, E. S. Scott, Toronto; C. L. Carsley, A. E. Mansfield, Montreal; E. A. Isard, F. H. Yapp, Hamilton; E. L. Isard, Winnipeg; E. W. Howell, C. Fry, Norwich, Ont.

Earn. per Share and Div. Record:

	1933	1932	1931
Com.: Earned ...	$1.73	*$1.65	$1.83
Paid	1.60	1.60	1.60

Six Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1928†	256,991	73,600	120,928
1929	249,363	147,200	158,285
1930	232,588	147,200	178,988
1931	251,390	147,200	200,463
1932	233,150	147,200	204,960
1933	249,494	147,200	217,304

*After all costs of operation, management, selling and office overhead expenses.
† Six months' period ended Nov. 30, 1928.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Common ..	27½	21½	26	13½	17	9½

* To Oct. 16.

The WHITTALL CAN COMPANY Limited

HEAD OFFICE AND FACTORY
Mullins and Charlevoix Streets, MONTREAL, QUE.
Telephone FItzroy 9635

TORONTO OFFICE AND WAREHOUSE
85 Florence Street J. A. Sexsmith, Manager
Telephone MElrose 4432

REPRESENTATIVES AT:

SAINT JOHN, N.B. L. A. Keith, 102 Prince William St. Telephone 3-3742
QUEBEC, QUE. J. R. Riverin, 37 de la Couronne Telephone 8217
WINNIPEG, MAN. A. E. Hanna, Royal Bank Bldg. Telephone 92-018

"A Worthy Product Deserves a Fitting Container"

BURNS AND CO.

Losses Reduced in Last Two Years and Earnings Are Believed Now Fairly Satisfactory — Company Reorganized

Burns & Co. operates a meat packing and foodstuff business with packing houses and distributing systems including a retail store chain. The company operates chiefly in western Canada. In addition, agencies are maintained in Europe, the West Indies and the Orient. Exports to these countries include bacon, ham, butter and cheese. The company owns and operates six packing plants, located in the leading cities of western Canada, and about 40 retail meat and provision markets, branch creameries and cheese factories with wholesale fruit depots, ice cream and milk distributing plants.

Reduce Interest Charges

The company was incorporated in 1928 to take over the business of P. Burns & Co., which was founded in 1890. In 1928 the company was purchased by Dominion Securities Corp. Ltd., Toronto, who reorganized the company as Burns & Co., and financed it through a public offering. Unable to meet the full sinking fund payment due January 1, 1932, bondholders agreed to a postponement of the sinking fund requirements and bond interest payments. In spite of an improvement in the company's earnings and liquid position in 1933 the company was still unable to meet arrears in sinking funds and interest due December 1, 1933, and a plan of reorganization was drawn up, and finally approved.

Reorganization

Under this plan new securities were issued extending the period of maturity ten years from June 1, 1948, to July 1, 1958, payments of principal interest to be made in Canadian funds only. A reduction rate of interest was agreed to, half of which is to be paid out of actual income and to be non-cumulative and to be paid to the extent of not less than 75 per cent of the annual income available for bond interest. Previous sinking funds due and unpaid January 1, 1932, and up to and including January 1, 1934, were cancelled, and a new sinking fund policy approved.

More Satisfactory

During the year ended December 31, 1933, the company reported a net loss of $211,769 as compared with a net loss of $651,323 and a loss of $531,124 in 1931. Prior to that period there were substantial profits.

Since the end of the last fiscal year, however, it is understood that earnings of Burns & Co. have been more satisfactory, particularly for the first three months of the current year. During that quarter it was believed that bond interest requirements were covered by a considerable margin. The improvement was due to the rising price of bacon in Great Britain. At this time the volume of shipments, too, was satisfactory. Net earnings in April, May and June, on the other hand, it is believed, were not so satisfactory because of falling prices in Great Britain.

Capitalization†—	Authorized	Outstanding
Cl. A $1 pfd. .. Non-cum., n.p.v.	33,790 shs.	33,789½ shs.
Cl. B, n.p.v.	139,995 shs.	109,554 shs.
Management shs. N.p.v.	5 shs.	5 shs.

† After giving effect to capital reorganization approved in March, 1934.

Funded Debt—
First mtge. 5 per cent series A bonds, due 1958; outstanding *$6,757,900.
* One half the bonds by each bondholder bear interest at 2 per cent per annum for 1934, 3½ per cent for 1935 and 5 per cent thereafter; interest payable Jan. and July 1, commencing July 1, 1934. On the other half interest is non-cumulative from Jan. 1, 1934 to Dec. 31, 1938, payable annually commencing April 1, 1935 to the extent of 75 of available income. After Dec. 31, 1938, interest on this half of the bonds is payable at the rate of 5 per cent per annum payable Jan. and July 1.

Dividend Record—
(On Old Stock) Preferred—6 per cent cumulative, payable Jan., Apr., July and Oct. 1; paid regularly to Oct. 1, 1930, none thereafter.
Common — None paid. New stocks: none paid to date.

Subsidiaries—
Palm Dairies Ltd.—(Wholly-owned).
Consolidated Fruit Company Limited—77 per cent owned.

Head Office—Calgary, Alta.

Officers and Directors—
Officers—Hon. Patrick Burns, chm.; John Burns, vice-pres. and gen. mgr.; W. E. Corlet, sec.
Directors—Hon. Patrick Burns, John Burns, J. I. McFarland, A. C. Newton, Wm. Toole, Calgary; Col. A. M. Brown, Vancouver; W. S. Hodgens, Toronto; R. W. Pearson, Edmonton.
Bondholders' Committee — A. E. Pequegnat (chairman), Waterloo, Ont.; E. G. Long, J. E. Fortin, H. N. Bawden, Toronto; Col. A. M. Brown, Vancouver; D. F. Wilson, 15 King St. W., Toronto, sec.

Times Bond Interest Earned—

	1933	1932	1931
Before depr. but after bk. int..	1.19	0.03	0.44
After depr. & bank int. ...	0.46	nil	nil

None paid.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	1,409,612	343,295	252,433
1929	1,447,007	416,250	325,637
1930	687,532	312,531	14,633
1931	299,289	....	*516,461
1932	96,473	....	*1,167,784
1933	474,035	....	*1,379,553

* Deficit.

Broder Canning Co. Grew Quickly in Boom Period

Broder Canning Co. operates canning plants at New Westminster, Chilliwack, Edmonton and Medicine Hat. The company was formed in 1917 to take over the Broder Canning Co. originally established in 1910.

The head office of the company is at New Westminster, B.C. No dividends have been paid on the preferred stock since April 1, 1931.

The company packs peas, corn, tomatoes and other vegetables under the trade name—"Royal City." Expansion was rapid between 1928 and 1930 but later operations to 1934 have not been as successful. There has been some improvements of late, however, in general conditions in the industry.

Capitalization—	Authorized	Outstanding
Pref. 7% cum. .. Par $100.	$300,000	$150,000
Common .... Par $100.	350,000	192,900

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable Jan., Apr., July and Oct. 1. None since Apr. 1, 1931.

Head Office—New Westminster, B.C.

Officers and Directors—
R. B. Broder, pres.; F. D. Mathers, gen. mgr.; V. F. Broder, sec.-treas.; H. C. Wade, asst. mgr.; C. W. Moore, sales mgr.

Canada Starch Co. Pays Pref. Dividends Since 1928

Canada Starch Co. Ltd., which is a consolidation of Edwardsburg Starch Co., Brantford Starch Works and plant and trademarks of Imperial Starch Co., has plants at Cardinal and Fort William, Ont., while the head office is at Montreal.

It issues no earning statement but has been paying preferred dividends

Capitalization—	Authorized	Outstanding
Pref. 7%	$3,250,000	$3,069,100
Common	1,250,000	1,186,500

Par $100.

Dividend Record—
Preferred—7 per cent, non-cumulative, payable Feb. and Aug. 15; paid 1907 to 1921 inclusive, none till Feb., 1928, regularly since.
Common—None paid.

Head Office—Montreal.

Officers and Directors—
Officers—G. F. Benson, pres.; J. J. Warren, 1st vice-pres.; W. B. Blackader, 2nd vice-pres.; B. S. R. Watson, sec.-treas.
Directors—G. F. Benson, W. B. Blackader, Hugh MacKay, G. F. Benson, Jr., J. H. Hunter, E. B. Hosmer, B. S. R. Watson, Montreal; J. J. Warren, A. C. Matthews, Toronto.

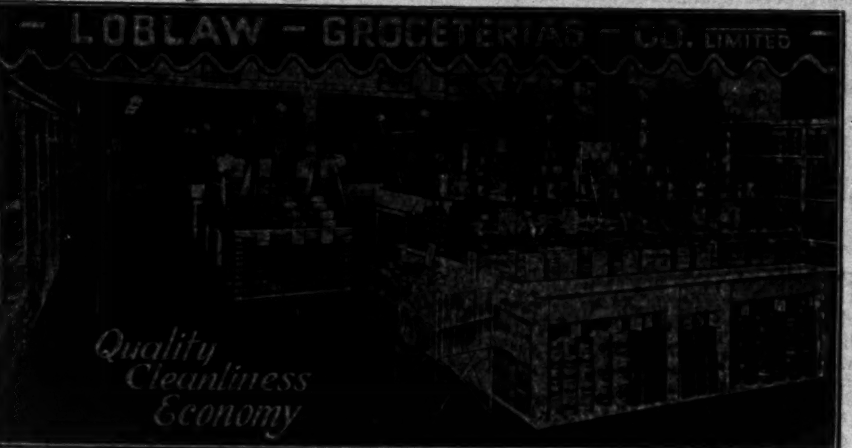
Defunct Savings Society Officials Sued For $73,822

Legal action to secure payment of $73,822 from some 25 officials of the now defunct Caisse Populaire de St. Eusebe because of bad debts incurred when loans were made in alleged violation of regulations of the society and of the province recently came before Mr. Justice Guibault in Superior Court at Montreal.

The society was incorporated in 1918 in virtue of the co-operative syndicate laws of the Province of Quebec and carried on business until 1929 when it went into liquidation. The action against the former officials is taken by Vincent Lamarre and Hermas Perras, liquidators.

300,000 Shoppers Endorse
(by their Weekly Patronage)
Loblaw's Self-Serve System, and Obtain "Excellence without Extravagance"

111 Groceterias 20 of which are Complete Modern MARKETS



LOBLAW'S are noted for Freshness Variety Cleanliness Quality and Consistently Low Prices.

LOBLAW
Groceteria - Markets

Cost of Living Index Records Slight Gain

Cost of living showed a slight gain in September despite a decline in food costs, according to the index of retail prices of food, rent and cost of services compiled by the Dominion Bureau of Statistics. Advances were recorded in the food, clothing and sundries groups, taking the total index to 79.0 as compared with 78.7 in August.

Lower beef, mutton and vegetable prices more than offset increases in milk, butter, eggs and bacon to reduce the index for foods.

Building Permits Total Low in September

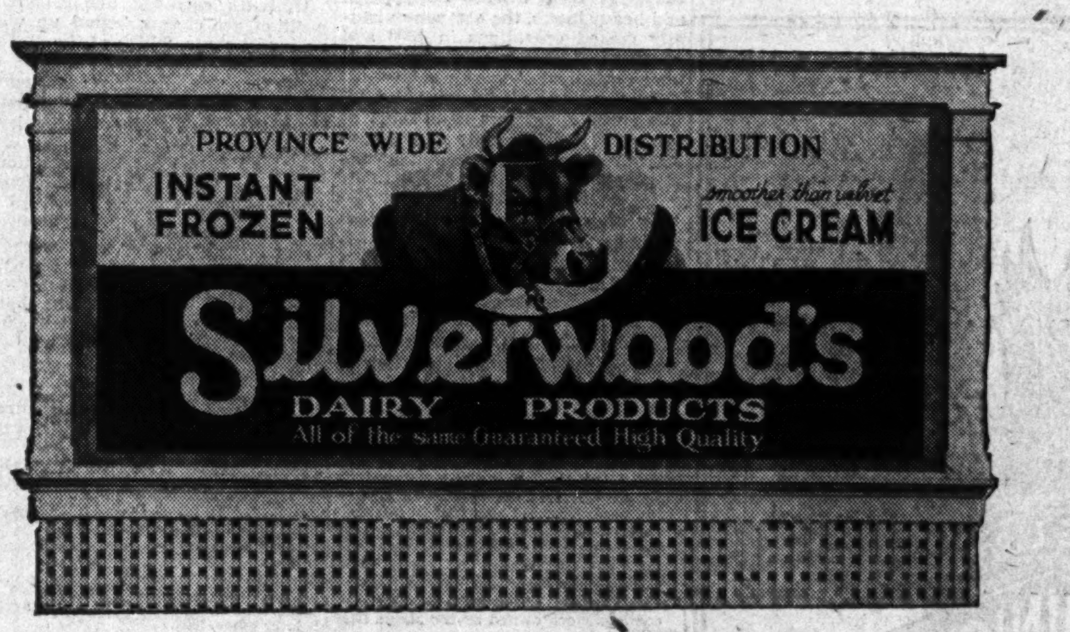
Value of building authorized in September amounted to $2,247,784, a decrease of $1,026,705 from the previous month, this being greater than the average seasonal decline. Compared with September a year ago, a gain of 13 per cent is noted.

Building permits issued in the first nine months of this year total $19,024,000 as compared with $16,394,014 in the same period of 1933. Although lower than 1933, the 1934 total is the next smaller than any other year since figures were first compiled in 1920.

Province Wide Distribution

Serving 100,000 Customers in Ontario

Annual sales include approximately Thirty Million Quarts of Silverwood's "Safe Milk," Three Quarters of a Million Gallons of Silverwood's "Smoother than Velvet" Ice Cream and Five Million Pounds of "Silverwood's" and "Elmira" Finest Creamery Butter.



Operating Plants at

London	Brantford	Peterborough	Stratford	Forest
Toronto	Hamilton	Elmira	Sarnia	Cayuga
Windsor	Kitchener	Lucknow	Woodstock	North Bay
Chatham	St. Catharines	Cargill	Guelph	Sudbury

Silverwood's
DAIRIES, LIMITED

Producers and Distributors of

Safe Milk — Jersey Milk — "Homo" Milk (homogenized) — Table and Whipping Cream — Buttermilk — "Instant Frozen" Ice Cream — Evaporated Milk — Canadian Cheese — Creamery Butter — Powdered Milk — Condensed Whole and Skim Milk — Buttermilk Powder — Ice Cream Sundries — Semi-Solid Buttermilk — Eggs — Poultry — Frozen Eggs

An All-Canadian Dairy Products Organization, Owned and Operated by Over Five Thousand Investors, including Producers, Consumers and Employees.

MAPLE LEAF MILLING

Smaller Net Loss Expected to be Shown — Reorganization Means Major Changes, But Difficulties Still Exist

Maple Leaf Milling Co. has been reorganized, and is about to issue new securities to bondholders and preferred and common shareholders.

The company's annual report, which will be issued in the course of two or three weeks, is expected to show major changes due to this year's capital reorganization. A balance sheet as at April 30, 1934, showed surplus reduced to $62,044 from $229,468 at July 31, 1933. This is taken to indicate that, after all deductions, another net loss will be shown in the forthcoming annual report, despite non-payment of bond interest last June.

Reorganization Plan

The scheme of reorganization for the company involves payment of the interest on the 5½ per cent first mortgage bonds from Dec. 1, 1933 to Dec 1, 1938 inclusive half in cash each Dec. 1 and half in new A shares each June 1 during the period. The A shares would be issued to bondholders, two shares for each $1,000 bond each first of June.

In respect of a bank loan for some $2,000,000 interest for the five year period is to be paid one per cent in cash, the balance to be $90,000 per annum payable in new A shares in installments of 3,214 shares semi-annually.

The old $100 A preferred shares are to receive seven new common shares for each old share. Holders of old B preferred shares of no par value are to receive one new common share for each old share and holders of the old common shares are to receive one new common share for each five old shares.

Management of the company for the five year period is to be vested in three management shares, two of which are to be held by bondholders' representatives and one by bankers. As a result of this creditor control it is expected that some changes in officers and directors of the company will be announced shortly.

Conditions Unsatisfactory

C. W. Band, former president of the company, early this year warned that operating results had been unsatisfactory in the first part of the fiscal year which ended July 31, 1934,

Working Capital Deficient

While the annual report that is to appear shortly is not expected to show any great improvement in earnings, the concessions as to interest and dividends that have been made by shareholders and creditors of the company are expected in time to allow it to build up a better cash position. The working capital account showed a deficiency of $1,927,916 at April 30, 1934 as compared with $1,877,922 at July 31, 1933. The deficiency in working capital and the impairment of the company's reserves originally grew out of transactions in years prior to 1930 by former officers of the company. These transactions resulted in heavy losses for the company and are understood to have been unauthorized. As a result of this misfortune, however, there have been demands that all officers and directors who were on the board at the time the transactions were made be removed from the board.

Capitalization—

	Authorized	Outstanding
Class A pref. .... (Par $100).	$3,500,000	$2,930,000
Class B pref. .... (No par value).	25,000 shs.	25,000 shs.
Common ..... (No par value).	100,000 shs.	100,000 shs.

Of the outstanding stock, 2,305 shares of preferred A, 6,051 shares of preferred B and 24,494 shares of common are held by subsidiaries.

Funded Debt—
First mortgage 5½ per cent bonds, due 1949, outstanding $4,620,500.

Capitalization to be Outstanding:*

	Authorized	Issued
1st mtg. bonds..	$5,000,000	$4,620,500
Cl. A stk., n.p.v.	100,000 sh.	78,345 sh.
Common, n.p.v...	300,000 sh.	250,100 sh.
Management shs.	3	3

* At the conclusion of the five-year plan of relief.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly, Jan., April, July and Oct. 18. Paid regularly to and including July 18, 1930; since passed. Class B preferred—6 per cent per annum, cumulative, payable semi-annually, Jan. and July 1. Initial dividend of $3 paid Jan. 1, 1930; none since.
Common—None paid since 1923, when 2 per cent was paid on old stock.

Subsidiaries—
Canada Bread Co., Ltd.
Canadian Bakeries, Ltd.
Dominion Bakeries, Ltd.
Hedley Shaw Milling Co., Ltd.
The Campbell Flour Mills Co., Ltd.
Eastern Bakeries, Ltd.
Port Colborne and St. Lawrence Navigation Co., Ltd.
Ontario Bag Co., Ltd.

Head Office—12 Monarch Road, Toronto.

Officers and Directors—
Officers—Hon. C. A. Dunning, pres.; C. W. Band, vice-pres.; D. C. MacLachlan, gen. mgr.; G. H. Hand, sec.
Directors—Hon. C. A. Dunning, C. W. Band, Major A. E. Nash, R. S. Waldie, J. L. Henderson, A. C. Matthews, Toronto, Ont.; E. R. Decary, Montreal; R. Cooper, Welland, Ont.; H. E. Sellers, Winnipeg.

Times Bond Interest Earned—

Yr. End. July 31	1933	1932	1931
Before depr.	*1.13	*0.88	2.69
After depr. .	*0.54	*0.34	1.74

Earnings per Share and Div. Record:

7% pref.: Earn.	...	...	$4.90
Paid	...	...	...
Cl. B $6 pref.:			
Earned	...	...	...
Paid	...	...	...
Com.: Earned .	...	...	...

None paid.
* Including premium on U. S. funds.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1927•	469,345	205,100	2,076,461
1928•	513,293	205,100	2,267,311
1929•	1,209,326	205,100	3,060,161
1930†	*2,868,551	313,648	103,886
1931†	741,571	....	639,677
1932†	265,863	....	409,090
1933†	312,930	....	229,468

† Consolidated. •Not consolidated.
* For 16 months.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	5¼	½	10¾	1⅛	5	2
Pref. A ...	10¾	5	25	5	20½	8

* To Oct. 16.

CAN. BAKERIES

Losses Reflect Lack of Purchasing Power in Territory Served

Canadian Bakeries Ltd. is engaged in the manufacture and wholesale and retail distribution of all kinds of bakery products including bread, cakes, cookies, etc. Bakeries of the company are located in the West.

Competition

During the last few years the company has been suffering from very severe competition and purchasing power, especially in that part of the western provinces where operations of the company are concentrated, has not been completely restored. Net earnings declined from over half a million dollars in 1929 to $30,867 for the fiscal year ended August 31, 1934. Every year since 1930 there have been net losses after depreciation and bond interest, the loss in 1934 being $72,868 as compared with $78,954 in 1933 although in the last mentioned year some $86,780 was written off as depreciation as compared with $69,320 for the last fiscal year.

The company is controlled by Maple Leaf Milling Co. Ltd.

Capitalization—

	Authorized	Outstanding
1st pref. 7% cum.	$1,000,000	$ 913,000
2nd pref. 7% cum.	1,000,000	1,000,000
Par $100.		
Common A	20,000 shs.	20,000 shs.
Common B*	20,000 shs.	nil
No par value.		

*Authorized for conversion of 2nd pref.

Funded Debt—
6½ per cent first mortgage sinking fund bonds, due 1945, outstanding $649,800.

Dividend Record—
First and second preferred: Entitled to 7% cumulative, payable 15th Mar., June, Sept. and Dec. First preferred, paid regularly from 1925 to Mar., 1931; reduced to $4 with payment of $1 June 15, 1931; passed Dec. 15, 1931, and since. 2nd preferred paid regularly to Sept. 15, 1930; none since.
Common: None paid.

Head Office—Calgary.

Officers and Directors—
Officers—C. W. Band, pres.; R. W. Ward, vice-pres. and gen. mgr.; D. A. Ross, sec.-treas.
Directors—C. W. Band, F. J. Coombs, R. S. Waldie, Toronto; John Burns, R. W. Ward, Calgary; E. Buckerfield, Vancouver; H. M. E. Evans, Edmonton, J. R. Murray, Winnipeg.

Times Bond Interest Earned—

Yr. end. Aug. 31:	1934	1933	1932
Before deprec. ...	$0.72	$0.95	$1.30

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	434,446	138,425	113,612
1929	535,020	137,725	234,784
1930	192,934	137,025	74,422
1931	116,524	52,050	822
1932	59,647	......	10,260
1933	42,238	......	*28,396
1934	30,867	......	*101,064

*Deficit.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Class A	4	2½	2½	2	1¼	1¼
1st pref.	12	9	11	5	14	5

*To Oct. 16.

DOM. BAKERIES

All Plants Rented to Conserve Assets for Shareholders

Dominion Bakeries Ltd., which is under the management of Maple Leaf Milling Co., owns 15 bakeries in the larger towns and smaller cities of Ontario. Total capacity of the company's bakeries approximates 20,000,000 loaves of bread per year. Suffering from intense competition and heavy losses, the company virtually ceased operations in 1933 and all properties, it is understood, are now rented.

For the year ended August 31, 1932, there was a net loss of $185,832 as against $116,617 in 1931. The deficit carried forward at the end of the fiscal year in 1932 was $300,971.

Not Winding Up

By ceasing operation and renting the bakeries it is understood that the company has checked most of these losses and affairs are being conserved in the interests of the shareholders. It is not the intention, however, The Financial Post understands, to wind up the company, but rather to mark time until general conditions improve to the point where operations could be continued again. There have been no financial statements published since 1932.

Capitalization—

	Authorized	Outstanding
1st pref.	$2,000,000	$725,000
2nd pref.	250,000	210,000
Par $100.		
Common	100,000 shs.	25,007 shs.
No par value.		

1st pref.—6½ per cent, cumulative.
2nd pref.—6½ per cent, cumulative.
A majority of second preferred and common stock owned by the Maple Leaf Milling Co.

Funded Debt—
None.

Dividend Record—
1st and 2nd preferred: Entitled to 6½ per cent cumulative, payable March, June, Sept. and Dec. 1; 1st preferred paid regularly from Dec. 1, 1928, to Sept. 1, 1930, none since; 2nd preferred, cumulative from March 1, 1930, none paid.
Common: None paid.

Head Office—Toronto.

Officers and Directors—
Officers—C. W. Band, pres. and gen. mgr.; G. A. Scrimger, sec.-treas.
Directors—G. A. Mackey, C. W. Band, D. C. MacLachlan, C. S. Band, R. S. Waldie, Major A. E. Nash, Toronto; A. F. Culver, Montreal.

Four Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	90,378	37,375	38,055
1930	31,842	47,125	5,795
1931	*57,375	......	†110,822
1932	*91,740	......	†300,971

*Loss †Deficit

CANADA TEA

Arrears Being Steadily Reduced — Stock is Closely Held

Canada Tea Company deals in teas, coffee, spices, both wholesale and retail, and operates branches at Peterborough, Hamilton, Brantford, Woodstock and London. The company did not pay full preferred dividends until 1929 but since that year, payments have been made regularly and arrears have been substantially reduced by paying 10 per cent dividends on the seven per cent stock.

The stock of the company is very closely held and there is not a great deal of information available, nor is there an active market for the stock.

Capitalization—

	Authorized	Issued
Pref. 7% cum. ..	$ 500,000	$175,000
Common	1,000,000	333,000
Par $100.		

Thirty-six preferred and eighteen common shares are held in trust for the company.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable 1st Jan., Apr., July and Oct. No dividends paid 1922-24; 1925, 2% paid; 1926, 5%; 1927, 3%; 1928, 5%; 1929, 9%; 1930, 1931, 1932, 10%; 1933, 7%. As at June 3, 1933, dividends were 39% in arrears.
Common—None since 1913.

Head Office—Toronto.

Officers and Directors—
Officers—C. J. Scandrett, pres. & man. dir.; J. H. Scandrett, vice-pres.; J. Hobson, sec.-treas., Toronto.
Directors—C. J. Scandrett, C. T. Stark, J. Hobson, J. H. Scandrett, S. B. Playfair, Toronto.

CANADA BREAD CO.

Ontario's Largest Baking Co. Reports Improving Sales and Profits in Last Nine Months

In the annual report of Canada Bread Co. for the year ended June 30, 1934, the general manager, A. V. Loftus, reported such a decided improvement as to indicate that the company is definitely on the upgrade. Results in the first half of the year were disappointing and the net consolidated loss was $69,305 and in the second half a net consolidated profit of $79,486 was shown.

Canada Bread Co. which is controlled by Maple Leaf Milling Co. owns 22 bread and cake making plants in Canada. Its output is normally over 1,500,000 counts a week, it serves 111,000 customers daily, and sells about $1,000,000 worth of cakes per annum.

Of the plants acquired, the company operates 14 plants and four distributing depots. The plants are at Montreal, London, Windsor, Stratford, Galt, Hamilton Guelph, Cornwall, Kingston, Ottawa, Winnipeg and there are three in Toronto. The Guelph, Cornwall and Kingston plants are leased by the company. Distributing depots are at Oshawa, St. Thomas, and Woodstock, Ontario, and Westmount, Quebec. The company is the largest baking company in the province of Ontario.

Canada Bread Company has shown during its entire operation since incorporation on June 30, 1911, a profit each year. Until the recent depression, it has shown a very satisfactory profit in most of these years. During the last three years, however, the bread industry was particularly demoralized in a time when nearly every line of business suffered under adverse conditions. Competition has been very keen and prices under severe competition got to a point where even a little profit was difficult to obtain.

Since the election of C. H. Carlisle in 1933 as president, the company's whole situation has been closely studied. C. H. Carlisle, president, in a letter dated February 2, 1934, stated that the company was shown to be materially over-capitalized. It had and still has over-plant capacity. Instructions were given to a real estate firm to sell for business purposes buildings not at present in use valued at $44,000 and to dispose of lands valued at $197,000.

The company has an investment in a subsidiary company amounting to $568,000 and is also guarantor on a loan made by the bank to this subsidiary for $208,000. There is a reserve of $275,000 for shrinkage in investment values against this asset.

Capitalization—

	Authorized	Outstanding
Common (n.p.v.)	200,000 sh.	200,000 sh.
1st pref. 7%	$1,250,000	$1,250,000
2nd pref. 7%	2,500,000	2,500,000

Par $100. Majority of the common stock is held by Maple Leaf Milling Co.

Funded Debt—
6 per cent first mortgage sinking fund bonds, due 1941, outstanding $978,300, of which $26,100 is held for redemption.

Dividend Record—
1st Preferred: Entitled to 7 per cent non-cumulative, payable Jan., Apr., July and Oct. 1; paid regularly from 1912 to Jan. 1, 1933; $1 paid Apr. 1, 1933; 75c. paid June 30, 1933; $1.75 paid Aug. 15, 1933. Payment due Oct. 1, 1933, deferred; none paid since.
2nd Preferred: Entitled to 7 per cent non-cumulative, paid at this rate quarterly same dates as 1st preferred from 1926 to July 1, 1931; payment deferred Oct. 1, 1933; 50c. paid Dec. 1, 1931, and March, June and Sept. 1, 1932; none since.
Common: None at present; reduced from 75c. to 50c. per annum March 1, 1931; none since.

Head Office—224 Davenport Road, Toronto.

Officers and Directors—
Officers—C. H. Carlisle, pres.; J. H. McConnell, 1st vice-pres.; C. W. Band, 2nd vice-pres.; A. V. Loftus, gen. mgr.; W. S. Antliff, asst. gen. mgr. and sec.-treas.; L. F. Enright, asst. sec.-treas.
Directors—†C. H. Carlisle, *J. H. McConnell, ‡C. W. Band, ‡A. V. Loftus, ‡C. B. Shields, *R. S. Waldie, all of Toronto; ‡H. J. Symington, Montreal.

*Representing 1st pref. shareholders.
†Representing 2nd pref. shareholders.
‡Representing common shareholders.

Earnings per Share and Dividend Record:

	1933	1932	1931
1st pref.: Earned ..	....	$15.70	$16.41
Paid	$7.00	7.00	7.00
2nd pref.: Earned*	....	4.35	4.71
Earned†	....	....	....
Paid	0.50	1.50	7.00
Common: Earned*	....	....	....
Earned†	....	....	....
Paid	....	....	0.62

*Equity behind payments up to $7 per share on 2nd preference and old common and 87½c. on new common. †Maximum distribution per share under participating feature.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1927	†802,803	387,500	1,500,990
1928	917,957	412,500	1,796,637
1929	952,032	412,500	1,987,249
1930	701,922	412,500	2,004,075
1931	467,956	387,500	1,821,750
1932	451,763	125,000	1,642,981
1933	257,182	100,000	1,539,896

†After income tax. *Less bond interest.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Common	5⅛	2	9¼	1¼	4	1
Pref. A	50	23	75	30	85	80
Pref. B	15	8	31	8	25	10

*To Oct. 16.

OGILVIE FLOUR

Major Operator Holds Own in Milling Industry

Ogilvie Flour Mills' financial statement for the year ended last August exhibited practically the same earning power as in the 1933 fiscal year, with a net profit from all sources of $746,749. Milling activities last year, were not particularly satisfactory while the returns from investments were below a fair return on the capital invested.

Ogilvie's earnings and financial position are closely bound up with its investments, which at the end of August, 1934, had a book value of $4,949,335. The company reported at the time of the issuance of the statement that the listed securities held were shown on the books at substantially below market quotations. Because of the fact that these investments represent nearly one-third of the company's total assets, Ogilvie Flour Mills has come to be regarded by the investing public as much an investment trust as a flour milling organization. While it is true that a large share of the company's income is secured from its investments, the fact should not be overlooked that Ogilvie is an important flour producer and its activities in that direction have a strong bearing upon earnings.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum. .. ($100 par).	$2,000,000	$2,000,000
Common (n.p.v.)	75,000 shs.	75,000 shs.

Preferred is not callable.

Funded Debt—
None.

Dividend Record—
Preferred—7% cumulative, payable 1st March, June, Sept. and Dec.; paid regularly since 1902.
Common—Present rate $8 per annum, payable 1st Jan., Apr., July and Oct. Bonus also paid on common from 1916 to 1930, excepting 1921; no bonus since.

Subsidiaries—
Ogilvie Grain Co.
Seaforth Milling Co., Ltd.
Glenora Securities Inc.
The Tree Line Navigation Co. Ltd.
Consolidated Bakeries of Canada, Ltd.

Head Office—Montreal.

Officers and Directors—
Officers—W. A. Black, pres.; R. R. Dobell, vice-pres.; G. A. Morris, asst. to pres. and sec.; J. C. McLaughlin, treas.; H. K. Hepburn, asst. sec.-treas.; H. Sellers, Winnipeg, western mgr.; V. W. Maclean, Fort William, mgr.; H. N. Davis, Medicine Hat, mgr.; D. A. Grout, Edmonton, mgr.
Directors—Sir Montagu Allan, W. A. Black, R. R. Dobell, Sir C. B. Gordon, Sir Herbert S. Holt, E. B. Hosmer, J. W. McConnell, Beaudry Leman, Montreal; S. T. Smith, Winnipeg; F. K. Morrow, Toronto.

Earnings per Share and Dividend Record:

Year end. Aug. 31:	1934	1933	1932
Pref.: Earned	$37.34	$37.39	$37.25
Paid	7.00	7.00	7.00
Com.: Earned	8.09	8.10	8.07
Paid—Divid.	8.00	8.00	8.00

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1928	1,941,850	1,840,000	2,777,972
1929	2,381,741	2,015,270	3,144,713
1930	1,127,436	1,115,000	3,157,149
1931	755,149	740,000	3,172,298
1932	744,936	740,000	3,177,235
1933	747,771	740,000	2,179,556
1934	746,749	740,000	2,186,305

* After depreciation and bond interest.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com. ...	209	180	211	100	150	90
Pref. ...	140¼	125	125	108	112	96

* To Oct. 16.

It is understood that so far in the current year still further improvement has taken place, with a dividend announcement confidently expected.

The baking industry for some years back has been having a difficult time because of unemployment, which meant loss of individual sales which were replaced by relief bread sold without profit, and by reason of price wars, both between bakeries and between bakeries and chain stores which offered bread at prices below cost as a trade inducement. Recently, however, there has been considerable improvement. Several chain stores have withdrawn from this practice and there is less competition, it is understood, from the small companies and independent bakers.

CONSOLIDATED BAKERIES

Better consumer purchasing power has resulted in improved earnings for Consolidated Bakeries of a subsidiary of Ogilvie Flour Mills Co. This company was incorporated in 1928 to acquire the entire capital stock of Nasmiths Ltd., Toronto, Stocks Bread Ltd., Peterborough, and Norris Bros. Ltd., of St. Thomas. The company also secured control of Northern Bakeries of Canada and its subsidiary by a share-for-share exchange and in 1930 acquired as well the Palmer Baking Co. of Chatham.

In 1932 there was a very sharp decline in net earnings from $647,761 in 1931 to $249,716. For the year ended Dec. 30, 1933, however net earnings were up to $251,847 and it

Capitalization—

	Authorized	Outstanding
Mgmt. pref.* .. (No par value).	3 shares	3 shares
Common .... (No par value).	499,997 shs.	318,440 shs.

* Management shares, the holders having the right to elect the boards of directors.

Funded Debt—
None.

Dividend Record—
Dividends—$2 per annum paid quarterly from Apr. 1, 1929, to Apr. 1, 1930; $1 p.a. paid from July 1, 1930, to April 1, 1932; 12½c. paid July 1, 1932; 25c. per share paid Apr. 3, 1934.

Subsidiaries—
Northern Bakeries Ltd. — Wholly-owned subsidiary which operates the company's bakeries, consisting of:
James Strachan, Ltd., Montreal; James M. Aird, Montreal; Dent Harrison & Sons, Westmount, Que.; Neal Baking Co., Windsor, London, St. Thomas and Sarnia, Ont.; Ideal Bread Co., Ltd., Toronto and Hamilton; Nasmiths Ltd., Toronto; Stocks Bread Ltd., Peterborough, Ont.; Norris Bros. Ltd., St. Thomas, Ont.; Palmer Baking Co., Ltd., Chatham, Ont.

Head Office—Montreal.

Officers and Directors—
Officers—J. Turnbull, pres.; R. McMullen, vice-pres. and gen. mgr.; H. O. Neale, sec.-treas.
Directors—W. A. Black, chm. of the board; R. R. Dobell, Sir Herbert Holt, G. A. Morris, J. W. McConnell, Montreal; J. F. Lash, F. K. Morrow, F. G. Osler, J. Turnbull, Toronto.
Management Shareholders — W. A. Black, F. K. Morrow and G. A. Morris.

Earnings per Share and Dividend Record:

	1933	1932	1931
Earned	$0.29	$0.03	$1.15
Paid	†0.25	0.62½	1.00

† Paid Apr. 3, 1934.

Five Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	692,625	636,404	272,376
1930	275,269	398,066	151,447
1931	367,082	318,453	184,596
1932	9,916	119,422	80,074
1933	93,928	†79,610	94,392

* After depreciation and income tax.
† Reserved for dividend paid Apr. 1934.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Common .	12¼	7	16½	2	8	2¼

* To Oct. 16.

WESTERN CANADA

Flour Company Hit by Short Crops and Lower Prices

Western Canada Flour Mills Company owns and operates power and cereal mills at Goderich, Ontario, Winnipeg and Northern Manitoba, Calgary and South Edmonton, Alberta and Victoria, B.C. with a total capacity of 10,000 barrels of flour and 1,000 barrels of rolled oats, oatmeal and other breakfast and cereal foods daily. It also owns 83 country elevators and 10 terminal elevators with a total capacity of 2,360,000 bushels. The combined total storage capacity is 4,760,000 bushels.

Until 1931, the company had a record of continuous payments of common dividends since 1905 but in the last few years, in common with all milling companies, has been having difficulties. A larger yield in the 1933 crop here resulted in an operating profit of $236,165 as compared with almost $100,000 less the year previous. The transfer, however, of $100,000 to reserve to buy investments resulted in a net profit of $114,308 for the fiscal year ending August 31, 1933, which was slightly less than the $136,885 earned the previous year. In 1933, the preferred stock earned $4.73 as compared with $5.67 and paid $3.87½ as against $6.50. The common stock has earned nothing since 1931 when 13 cents was earned and 70 cents paid.

In order to conserve working capital the company changed the dividend rate on its 6½ per cent cumulative preferred stock to a $3 annual basis in March 1933.

The company suffered a loss in the death of the treasurer, R. A. Pridham, in Toronto this week.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	150,000 shs.	135,000 shs.
Pref. 6½% cum. .. $100 par.	$3,000,000	$2,413,000

Funded Debt—
None.

Dividend Record—
Preferred—Present rate 3% per annum. Entitled to 6½% cumulative, payable March, June, Sept. and Dec. 15, paid regularly to Dec., 1932; reduced to 3% with payment of 75 cents Mar. 15, 1933, and regularly since.
Common—None at present. Dividends paid on common from 1906 to 1931. Rate was $1.40 per annum quarterly from 1926 to March 15, 1931; none since.

Subsidiaries
(Entire capital stock owned)
The Brackman-Ker Milling Co., Ltd.
Purity Flour Mills, Ltd.
Purity Baking Company, Ltd.
The Dominion Salt Co.

Head Office—293 Macpherson Ave., Toronto.

Earnings per Share and Dividend Record:

	1933	1932	1931
Pref.: Earned	$4.73	*$5.67	*$7.27
Paid	3.87½	6.50	6.50
Com.: Earned ...	nil	nil	*0.13
Paid	nil	nil	0.70

*After taking into consideration transfer from general reserve.

Officers and Directors—
Officers—D. B. Hanna, pres.; A. J. Mitchell, vice-pres.; R. G. O. Thomson, sec.; J. J. Page, gen. mgr.; J. H. Horn, asst. gen. mgr.
Directors—D. B. Hanna, A. J. Mitchell, Sir John Aird, R. G. O. Thomson, J. J. Page, J. H. Gundy, Toronto; Hon. G. H. Barnard, R. H. B. Ker, Victoria; J. Davidson, London, Eng.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1927	388,797	282,670	713,334
1928	409,397	301,750	820,981
1929	556,352	321,722	1,005,612
1930	221,416	321,893	905,135
1931	175,431	252,249	828,317
1932	136,885	156,845	808,357
1933	114,308	93,504	829,161

*After depreciation, income tax and reserve for doubtful accounts, etc.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com. ...	8½	6	18	4	8	5¼
Pref. ...	62	43	70	45	60	34

*To Oct. 16.

CANADA'S LARGEST GROCERY CHAIN

DOMINION STORES today, as for a number of years past, is Canada's largest food chain having 505 stores in operation in four provinces.

Besides being the largest grocery chain in Canada, Dominion Stores also is the largest CANADIAN company of its kind. Every executive is a British subject and every employee is a native of the Empire. The company endeavors to maintain a high standard of personnel, the better to serve the tens of thousands of customers, and the incidental benefit to the communities in which Dominion Stores operates is that the purchasing power of the many hundreds of employees is as great as ever.

Shareholders of Dominion Stores have had a satisfactory experience from the policies which have placed the interest of the customer first — policies which have built a great Canadian grocery business on an enduring foundation.

DOMINION STORES
LIMITED
"Where Quality Counts"

'Syrup Symphonies on the Air—and on Your Cash Register

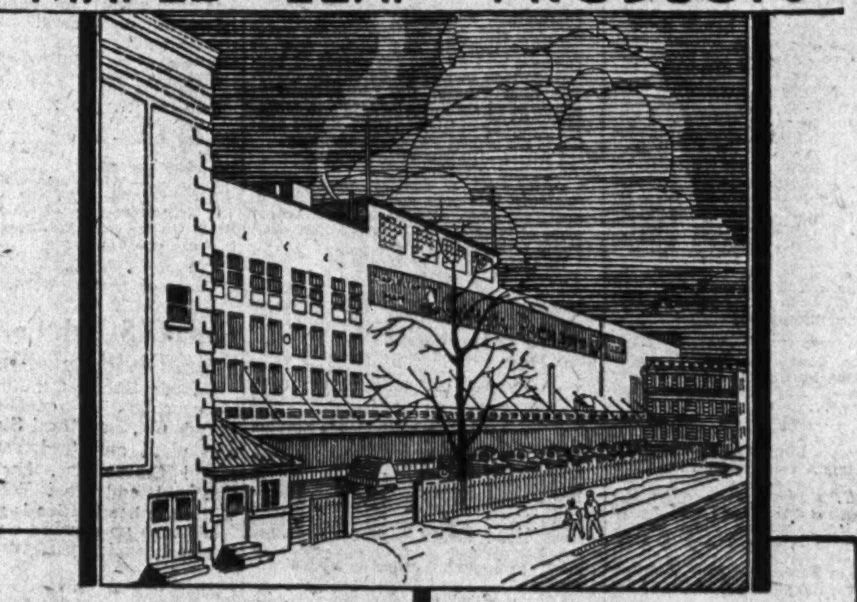
EACH week our Syrup Symphonies broadcast is telling the story of "CROWN BRAND" Corn Syrup—its qualities and its uses—to Canadian householders. And every day the public acceptance of this delicious product is ringing the music of sales on retailers' cash registers.

Similarly with our other time-tested products — "MAZOLA" and "BENSON'S" Corn Starch—you buy what you can sell.

Seventy-six years of fair dealing with the trade and education of the consuming public are back of these profit-makers for you.

THE CANADA STARCH CO. LIMITED
Montreal Toronto

MAPLE LEAF PRODUCTS



THE WM. DAVIES COMPANY, LIMITED founded in 1854
CANADIAN PACKING COMPANY, LIMITED formerly GEO. MATTHEWS COMPANY founded in 1868
GUNNS LIMITED founded in 1876
THE HARRIS ABATTOIR COMPANY, LIMITED founded in 1896

MERGED IN 1927 TO FORM CANADA PACKERS LIMITED

LAKE OF WOODS

Better Earnings Expected During Last Fiscal Year

Further improvement was recorded in the operations and earnings of Lake of the Woods Milling Co. during the fiscal year which ended August 31 last. Both domestic and export markets recorded some betterment last year, while the selling price was on a more favorable basis. The financial statement, which is expected to be released toward the end of this month, may show common stock earnings of between $1.50 and $2 a share compared with $1.32 a share reported in the fiscal year 1933.

At the end of the 1933 fiscal year the company reported a bank loan of $3,244,000 which was secured by $4,000,000 six per cent first mortgage bonds. The 1934 statement is expected to show that these loans have been reduced by a fair amount.

Capitalization— Authorized Outstanding
Pref. 7% cum. .. $1,500,000 $1,500,000
Par $100. Non-redeemable.
Common .... 200,000 sh. 147,689 sh.
No par value.

Funded Debt—
1st mtge. bonds, 6 per cent, due 1941, outstanding †$4,000,000.
†Held by banks as collateral for loans.

Dividend Record—
Preferred—7 per cent per annum cumulative, payable Mar., June, Sept. and Dec. 1. Paid regularly to and including Sept. 1, 1931; passed Dec. 1, 1931; none since.
Common—None at present. Formerly $3.20 per annum, payable Mar., June, Sept. and Dec. 1. Dividends were paid each year from 1904 to Dec. 1, 1930; none since.

Subsidiaries—(Wholly owned)—
Keewatin Flour Mills Co.
Medicine Hat Milling Co.
Sunset Manufacturing Co.—Winnipeg.
Dominion Flour Mills Co.—Montreal and Brantford.
Inter City Baking Co., Ltd.
Inter City Western Bakeries, Ltd.

Head Office—St. John St., Montreal.

Officers and Directors—
Officers—F. S. Meighen, pres. and man. dir.; Hugh MacKay, vice-pres.; C. H. G. Short, gen. mgr.; D. A. MacInnes, sec.; A. C. McMillan, treas.; R. R. Hutchison, asst. treas.
Directors—F. S. Meighen, R. W. Reford, Walter Molson, Hugh MacKay, Rt. Hon. Lord Shaughnessy, P. F. Sise, J. W. Pyke, Hon. Rodolphe Lemieux, Montreal; N. J. Breen, I. Pitblado, G. W. Allan, Winnipeg; J. W. Hobbs, Toronto.

Earn. per Share and Div. Record—

Yrs. end. Aug. 31:	1933	1932	1931
Pref.: Earned	$20.05	$7.42	nil
Paid	nil	nil	nil
Com.: Earned	*1.32	*0.043	nil
Paid	nil	nil	nil

*After allowing for full year's preferred dividend but before deducting preferred arrears.

Seven Years Earnings—

Year	†Earnings $	Dividends $	Surplus $
1927	634,278	525,000	714,197
1928	689,588	505,267	793,522
1929	906,941	572,532	1,000,518
1930	188,412	576,570	536,450
1931	*935,468	223,151	536,353
1932	511,726	......	604,888
1933	636,438	......	905,586

*Deficit. †After deduction of all operating expenses, provision for doubtful accounts and income tax.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Common	15	9⅞	18½	5	9¾	4
Pref.	73	56	70	30	40	35

*To Oct. 16.

INTER-CITY BAKING

Conditions in the baking industry generally have not shown any unusual changes this year. There has been a strengthening tendency, however, and expectations are that Inter-City Baking Co., controlled by Lake of the Woods Milling Co., will be able to maintain or better the net earnings reported in the year ended January 1, 1934, when they totalled $216,472.

Capitalization— Authorized Outstanding
Common $4,000,000 $2,114,500
Par $100.

Funded Debt—
First mortgage, series A, 5½ per cent, due 1948; outstanding $1,513,500.

Dividend Record—
Common—None at present. Initial dividend of 4 per cent paid Mar., 1929. A similar amount paid Mar., 1930, then semi-annually about Aug. 25 and Mar. 31, at the rate of 4 per cent per annum to and including Mar., 1932; since passed.

Subsidiaries—(Wholly owned)—
Brown's Bread Ltd. — West Toronto, North Toronto, and Hamilton.
Standard Bread Co., Ltd.—Ottawa.
Shouldis Bread Co., Ltd.—Ottawa.
Standard Bread (Montreal) Ltd.
A. & L. Strachan Ltd.—Montreal.

Head Office—460 St. John St., Montreal.

Officers and Directors—
Officers—F. S. Meighen, pres.; J. W. Pyke, vice-pres.; C. H. G. Short, gen. mgr.; R. R. Hutchison, sec.-treas.; D. A. MacInnes, asst. sec.-treas.
Directors—F. S. Meighen, Hugh MacKay, C. H. G. Short, D. A. MacInnes, R. W. Reford, J. W. Pyke, Montreal; R. G. Cowan, Toronto.

Times Interest Earned—

Year end. Jan. 31:	1934	1933	1932
Before deprec.	2.60	2.45	3.81
After deprec.	1.39	1.29	2.66

Earnings per Share and Dividend Record—

Com.: Earned	$1.54	nil	$4.13
Paid	nil	nil	4.00

Six Years Earnings—Year End. Jan. 31:

Year	*Earnings $	Dividends $	Surplus $
1929	317,495	70,000	64,960
1930	287,575	85,180	79,355
1931	316,254	85,180	122,429
1932	331,643	85,180	125,212
1933	210,331	......	105,260
1934	216,472	......	137,782

*After deducting all expenses of operation, and providing for doubtful debts and income tax.

Market Record—

	*1934 High	Low	1933 High	Low
Common	17¼	14	18	17

*To Oct. 16.

INTER-CITY WEST. BAKERIES

Committee Making Headway in Straightening Out Affairs

By the end of this year the bondholders' protective committee of Inter-City Western Bakeries Ltd. expect to be able to report an improvement in volume and further savings through economies.

Conditions in the territory in which the company operates, namely, the four western provinces, have not been particularly conducive to increased business this year. While the company's plants in British Columbia have experienced satisfactory conditions to date, experience in Alberta has only been fair, with the Manitoba plant still feeling keen competition from the chain stores. The Saskatchewan units have had a trying time so far this year, but steps have been taken to remedy conditions in that field.

Capitalization— Authorized Outstanding
Pref. cum. conv. .. $390,000 $390,000
Par $10.
Common .... 200,000 sh. *130,000 sh.
No par value.
*Over 88 per cent owned by Lake of the Woods Milling Co. On Jan. 31, 1934, bondholders protective committee obtained an irrevocable two-year proxy from Lake of the Woods Milling Co., covering their controlling stock interest.

Funded Debt—
6½ per cent 1st mtge. S. F. bonds, series A, due 1950, outstanding $1,456,200. Interest in default from May 1, 1933.

Dividend Record—
Preferred—6 per cent per share per annum, cumulative from May 1, 1930, payable half-yearly, May and Nov. 1. None paid to date.
Common—None paid to date.

Head Office—666 Elgin Ave., Winnipeg.

Officers and Directors—
Officers—C. H. G. Short, pres. and gen. mgr.; Hugh Mackay, vice-pres.; W. Ross Grant, sec.-treas. and asst. gen. mgr.; D. A. MacInnes, asst. sec.-treas.
Directors—Thomas Cull, W. A. Hastings, Winnipeg; C. H. G. Short, Hugh Mackay, M. A. Thomson, W. C. Pitfield, Montreal.

Times Bond Interest Earned—

Yr. end. Jan. 31:	1934	1933	1932
After other int. & before deprec.	0.27	*0.42	*0.84
After other int. & after deprec.	nil	nil	*0.36

*Bond interest including U. S. exchange.

Earnings per Share and Dividend Record:
Pref. & Com.: None earned or paid.

Four Years Earnings—(Yr. ended Jan. 31):

Year	Earnings $	Dividends $	Surplus $
1931	105,299	......	54,334
1932	86,819	......	121,905
1933	47,567	......	257,237
1934	25,541	......	374,017

ST. LAWRENCE FLOUR MILLS

Steady Gains Reported in Capital Stock Earnings

St. Lawrence Flour Mills concluded its 1934 fiscal year last August and the financial statement covering the period showed a marked improvement in both income and balance sheet position. As a result dividends on the common stock were increased from $1.50 to $2 per share annually.

During the last four years St. Lawrence Flour Mills' net earnings have recorded a steady increase, amounting to $146,135 in the year ended September 2nd, 1934. After providing for the senior charges, net income was equivalent to $15.75 on the preferred and $4.19 a share on the common stock. This contrasted with $11.15 a share on the preferred and $2.04 a share on the common stock.

Capitalization— Authorized Outstanding
Pref. 7% cum. $600,000 $575,000
($100 par).
Com. ($100 par) .. 1,200,000 1,200,000

Funded Debt—
6 per cent first mortgage sinking fund bonds, due 1941. Outstanding $62,000.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly Feb., May, Aug and Nov. 1. Paid regularly since 1914.
Common—$2 per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Increased from $1.50 to $2 per annum with payment of 50c. on Nov. 1, 1934. Initial dividend of 37½c. paid Nov. 1, 1932, and regularly since.

Head Office — 1110 Notre Dame St. W., Montreal.

Oficers—D. A. Campbell, pres.; T. Williamson, vice-pres. and man. dir.; D. M. Wilson, sec.; D. S. Thornton, treas.
Directors—C. E. Gravel, T. Williamson, J. Henri Labelle, J. J. McGill, C. H. Branchaud, G. W. Grier, Montreal; D. A. Campbell, Toronto.

Times Bond Int. Earned—

	1934	1933	1932
Before deprec.	37,90	26.63	23,00
After deprec.	28.90	17.95	17.70

Earn. per Share—

Pref.: Earned	$15.75	$11.15	$12.00
Paid	7.00	7.00	7.00
Com.: Earned	4.19	1.99	2.40
Paid	1.50	1.50	...

Seven Years Earnings—

Yr. end. Sept.:	Earnings $	Dividends $	Surplus* $
1928	109,017	40,250	232,560
1929	139,726	40,250	307,035
1930	105,017	40,250	344,309
1931	90,266	40,250	369,846
1932	107,838	40,250	398,587
1933	115,824	58,250	404,429
1934	146,136	58,250	427,800

*Subject to income tax in all years except 1934.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	45	33	56	15	30	9
Pref.	101¼	96	100	90	99½	70

*To October 16.

INT. MILLING

Good Liquid Condition and Fair Earnings Despite Depression

International Milling Co. has managed in its international operations in Canada and United States to maintain a good liquid position and comparatively favorable earnings in spite of the severe depression of the last few years. No report for the last fiscal year will be available for some weeks yet, but for the year ended Aug. 31, 1933, net earnings were $1,169,095 as compared with $1,125,576. The surplus of the company during the period was increased from $6,824,059 to $7,450,180, after paying the regular seven per cent and six per cent preferred dividends, $400,000 in common dividends and setting aside $100,000 for pension reserve.

Current assets of $13,178,649 at the end of the 1933 fiscal year were more than double current liabilities. Dividends on both classes of preferred stock have been paid regularly.

Capitalization— Authorized Outstanding
1st pref. .... $5,000,000 ....
Orig. series 7% $3,430,100
Series A 6% 890,600
2nd pref. 7% cum. 1,000,000 nil
Par $100.
Common .... 150,000 sh. 100,000 sh.
N.p.v.

Funded Debt—
None.

Dividend Record—
First Preferred—Original issue 7%, series A 6%, both cumulative, payable quarterly, 1st March, June, Sept. and Dec. in U. S. funds, 7% has been paid regularly since incorporation, 6% from June, 1929.
Common—Paid annually in December from 1924. $5 per share paid in 1930 and 1931; $4 in 1932; $4.25 in 1933.

Subsidiaries—
Robin Hood Mills Ltd.—Entirely owned subsidiary. Mills located at Calgary, Moose Jaw and Saskatoon.
Lake and Rail Warehouse and Elevator Corp.

Head Office—Flour Exchange Bldg., Minneapolis, Minn.

Officers and Directors—
Officers—W. L. Harvey, pres.; F. A. Bean, vice-pres. and gen. mgr.; F. V. Spofford, sec.; H. F. Marsh, treas.
Directors—F. A. Bean, W. L. Harvey, H. F. Marsh, J. R. Morris, F. V. Spofford, all of Minneapolis, Minn.; J. J. Kovarik, Buffalo, N.Y.

Earnings per Share and Dividend Record—

	1933	1932	1931
First pref.: Earn.†	$27,06	$25.39	$28.72
Paid on 7% stk.	7.00	7.00	7.00
Paid on 6% stk.	6.00	6.00	6.00
Common: Earned	8.86	8.29	10.00
Paid§	4.00	5.00	5.00

†Based on the total number of both series of first preferred shares outstanding as at August 31.
§Exclusive of treasury stock.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	1,127,013	631,854	3,810,171
1928	1,565,140	667,509	4,887,828
1929	1,564,720	949,114	5,598,146
1930	1,463,694	828,329	6,398,295
1931	1,307,314	807,093	6,917,478
1932	1,125,576	796,810	6,824,059
1933	1,169,095	683,143	7,450,108

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
1st pfd.	110½	99	105	95	98	88
Pref. A	99	84	90	82	80	77

*To Oct. 16.

CANADA BISCUIT

New Reorganization Scheme Expected to Follow Investigation

A plan of reorganization for Canada Biscuit Co. which had been expected to be passed upon by bondholders in September, has been deferred pending an analysis of the company's business by chartered accountants. They are acting for Nathan Cummings and a group of Montreal business men who have secured control of the company through acquisition of the $300,000 of prior lien bonds and a majority of the 89,000 shares of common stock in the company.

It is understood that a new plan of reorganization will be formulated as soon as possible after the company's affairs have been investigated.

Statements Lacking

The company's business improved toward the end of 1933, and this betterment is understood to have carried over into 1934. However, an earnings statement and balance sheet have not been issued since incorporation in 1926.

The company was reorganized in 1932 after interest was defaulted on its first mortgage bonds on May 1, 1932. The company's preferred and common shares were cancelled and the share capitalization of the company reduced to 89,000 common shares, of which 17,905 were allotted to bondholders and 59,365 to underwriters of the $300,000 of new prior lien bonds created by the plan. Interest on the 6½ per cent mortgage bonds due May 1 and Nov. 1, 1932, and May 1, 1933, was not to be paid under the scheme. The company was not able to resume interest on the mortgage bonds on Nov. 1, 1933, and this has led to the latest reorganization proposal.

The company is a holding company for seven firms engaged in the manufacture and distribution in Canada and Newfoundland of plain and fancy biscuits, confectionery, ice cream cones.

Capitalization— Authorized Outstanding
Common .... 89,000 shs. 89,000 shs.
N.p.v.

Funded Debt—
Six per cent prior lien bonds, due 1946, outstanding $300,000.
Six per cent mtge. S. F. bonds, series A, due 1946, outstanding, $1,790,500. Interest due May and Nov. 1, 1932 and May 1, 1933, waived; deferred Nov. 1, 1933; in default May 1, 1934.

Dividend Record—
None paid.

Subsidiaries—(Wholly-owned)—
North West Biscuit Co., Ltd., Edmonton, Alta.—Established in 1913.
D. S. Perrin & Co., Ltd., London Ont. (Controlled)
McCormick Manufacturing Co., Ltd., London, Ont.—Established in 1858.
Paulin-Chambers Co., Ltd., Winnipeg.—Established in 1876, incorporated in 1899.
J. A. Marven, Ltd., Moncton, N.B.—Established in 1906. Operates 640 acre farm for the supply of butter, eggs and milk for use in the manufacture of the biscuits and cakes.
Montreal Biscuit Co., Ltd., Montreal.—Established in 1866.
North West Mill & Feed Co., Ltd., Edmonton.—Formed to produce flour for use in biscuit making.

Head Office—London, Ont.

Officers and Directors—
Officers—F. A. McCormick, pres.; J. W Ross, man. dir.; F. Lawson, sec.; W. P. Rapley, treas.
Directors—F. A. McCormick, Ray Lawson, J. W. Ross, London, Ont.; J. E. Labelle, G. H. Rainville, D. J. O'Donahoe, R. W. Steele, Guy Perron, Montreal; J. L. Bathgate, Winnipeg.
Bondholders' Committee—R. D. Bell. A. F. S. Glassco, R. W. Steele. Secretary's office, 507 Place d'Armes, Montreal.

GEORGE WESTON, LTD.

Only Biscuit Company in World Doing Expanding Business in Canada, United States and United Kingdom

George Weston, Ltd., is the only international business in the world manufacturing and distributing fine biscuits, confectionery, bread, cakes and pastry directly and through subsidiaries on a growing scale in the United States, Canada and England. More than that it is one of the few biscuit companies, the only one in Canada that have come through the depression fortified and strengthened to an amazing degree.

The company has been doing a rapidly expanding business in the British Isles and in the United States as well as an improving business reported from all departments in Canada.

In the summer of 1933 it bought the biscuit business of the old established firm of Mitchell & Muils, Aberdeen, Scotland, and continued it in a modern factory purchased at Edinburgh, Scotland. Other subsidiaries were bought in England and the company has reported successful operations in all fields.

Operations of Weston Biscuit Co., the United States subsidiary, were so successful that the company bought a new large four-story brick building so close to its Passaic plant in New Jersey that it could drive a tunnel through to it on its own property and connect upper floors as well. There is now room in the Passaic plant to double present production and warehouse space urgently needed has also been provided.

In Canada it is reported that every department of the company has been successful. This includes the bread company, George Weston Bread and Cakes, the candy company, Wm. Paterson, Ltd., of Brantford, Ontario, the "English Quality" biscuit plant on St. Peter Street, Toronto, and even the Independent Biscuit Co. of Calgary, despite hard times in western Canada.

At the end of 1933, the subsidiary, George Weston Bread and Cakes Ltd., bought the physical assets of Ontario Bakeries from the trustee and receiver. This enabled the company to serve effectively an area of 100 miles around Toronto.

In this case, as in nearly every case where the company or its subsidiaries have taken in other plants, the company was able to take advantage of the extraordinarily low price obtaining for capital assets during the depression, to expand its business at very low cost to itself and on purchase terms that are scarcely more than rental. Its earnings have been doubled and the stock was split early in 1934. Common dividends were doubled and since that time it is understood that earnings have been increasing in the same measure as previously.

Capitalization— Authorized Outstanding
Common (n.p.v.) 200,000 sh. *174,136 sh.
Pref. 7% cum. $1,000,000 *$900,000
(Par $100).
*Of which the company's subsidiary, Wm. Paterson, Ltd., owns 81 shares of preferred and 1,100 shares of common stock.

Funded Debt—
None.

Dividend Record—
Preferred—7%, payable quarterly, Feb., May, Aug. and Nov. 1. Paid regularly since May, 1928.
Common (new) — Present rate $1 per share per annum, payable quarterly, Jan., April, July and Oct. 1. paid regularly at this rate on old stock from April 1, 1930.

SUBSIDIARIES

William Paterson, Ltd.—Brantford, Ont. All common stock held by parent company.
Weston Biscuit Co. Ltd., Watertown, Mass.—Has sole right to manufacture Weston's biscuits in United States. Capital stock: 50,000 shares n.p.v. common. Controlled by parent company through ownership of common stock. Funded debt: outstanding $118,500, 7% gold notes due 1941.
George Weston Bread & Cakes, Ltd., which owns outright Regal Bakeries, Ltd., Toronto and Oshawa, and Lawlor Bread Co., Toronto. In 1933 acquired assets of Ontario Bakeries, Ltd., consisting of bakeries at Stratford, Guelph, St. Catharines, Woodstock, Barrie, North Bay and Sudbury, Ont., all of which are operated as distributing depots.
Independent Biscuit Co., Ltd.—Manufactures biscuits, etc., in Calgary, Alta., and acts as a sales outlet for George Weston Ltd. and Wm. Paterson, Ltd., the two companies jointly controlling the concern. Control acquired in 1931 through exchange of Wm. Paterson Ltd. preferred stock for the stock of the company. Outstanding stock, $150,000 7 per cent first preferred; $57,700 7 per cent second preferred and 5,000 no par value common shares of which the two companies hold $85,700 first preferred, $57,700 second preferred and 4,154 common shares.
Mitchell & Muils, Ltd., Aberdeen, Scotland, wholly owned; acquired in 1933.

Head Office—134 Peter St., Toronto.

OFFICERS AND DIRECTORS

Officers—W. Garfield Weston, pres. and man. dir.; F. W. St. Lawrence, vice-pres. and gen. mgr.; C. W. Kerr, sec.; R. A. Robertson, treas.
Directors — W. Garfield Weston, F. W. St. Lawrence, C. W. Kerr, R. A. Robertson, Toronto; D. L. Chrysler, Brantford, Ont.; R. E. Watson, Passaic, N.J.

Earnings per Share and Dividend Record:

	1933	1932	1931
Pref.: Earned	$32.45	$13.55	$15.35
Paid	7.00	7.00	7.00
Com.: Earned	2.58	1.09	1.46
Paid	1.00	1.00	1.00

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	202,160	43,632	160,728
1929	152,930	68,534	232,791
1930	210,431	113,000	262,946
1931	153,963	115,094	282,085
1932	137,322	117,347	285,224
1933	342,175	133,253	652,879

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Common	†47½	28	59½	16½	23	16½
Preferred	110	88½	90½	67	70	65

*To Oct. 16.
†New.

VIAU BISCUIT

Taxes and Competition Burden Companies in Field

Gross income of Viau Biscuit Corp., whose products are distributed throughout the Dominion registered another decline in dollar value, though the volume of production was larger and operating costs had been reduced. Net earnings amounted to only $52,868, the smallest reported in several years, and about one-quarter of that reported in 1931. After providing for bond interest, depreciation, and bad debts reserves, there was a deficit last year of $34,959, the second consecutive one to be recorded by the company since 1927.

Operations of the company, as well as other firms in this type of business, have been handicapped by heavy taxation. It was pointed out in the last annual report that under present conditions it is impossible to pass the special taxes to the consumer in their entirety. While the company is in a position to take advantage of any improvement in the general state of affairs, its earning power has been handicapped by the substantial reduction in selling price.

Capitalization— Authorized Outstanding
Com. (n.p.v.) .... 50,000 shs. 25,000 shs.
1st pf. cum. 7% .. $2,500,000 $946,000
($100 par).
2nd pf. cum. 7% .. 1,000,000 470,000
($100 par).

Funded Debt—
6½ per cent general mortgage bonds, due 1946; outstanding $332,700.

Dividend Record—
1st preferred: Entitled to 7 per cent cumulative, payable Jan., Apr., July and Oct. 1; paid regularly to Oct. 1, 1932; none since. Arrears as at Dec. 31, 1933, $82,775.
2nd preferred: 7 per cent cumulative, payable same dates as 1st preferred: payment passed in 1927, resumed in 1928 and arrears paid-up in 1930; paid regularly from 1928 to Jan. 1, 1932; none since. Arrears as at Dec. 31, 1933, $65,800.
Common: None paid.

Head Office—Montreal.

Officers and Directors—
Officers—Théophile Viau, pres.; Albert Hudon, vice-pres.; Emile Chaput, man. dir. and sec.; Lucien St-Mars, treas.; W. Bousquet and J. A. Boucher, sales mgrs.; A. Giguére, production mgr.
Directors—Théophile Viau, A. Hudon, Emile Chaput, G. H. Rainville, J. A. Lemieux, J. E. Labelle, Montreal.

Times Bond Int. Earned:

	1933	1932	1931
After other int. & before deprec.	2.13	2.30	9.49
After other int. & deprec.	0.76	0.93	8.16

Earn. per Share & Div. Record—

	1933	1932	1931
1st pref.: Earned	nil	nil	$13.28
Paid	nil	$5.25	7.00
2nd pref.: Earned	nil	nil	13.35
Paid	nil	nil	7.00
Common: Earned	nil	nil	1.19

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	239,637	111,475	30,519
1929	243,337	102,900	63,068
1930	315,467	102,900	110,798
1931	218,784	102,900	87,800
1932	56,763	50,680	2,940
1933	52,868	......	*32,611

*Deficit.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	5	1	7	2	11	5
1st pref.	23	17	40	29	75	59

*To Oct. 16.

DAVID ET FRERE

David et Frère, Montreal manufacturers of biscuits, did not experience any improvement in its position last year, though the showing is considered fairly satisfactory in view of the heavy taxation imposed on this type of industry, together with the competition which existed between the manufacturers. Net operating profits amounted to only $11,913, or about $4,000 less than in the previous year. Under normal conditions, earning power of this company amounts to around $100,000 annually.

No particulars are available as to current operations. The financial position of the company is relatively satisfactory, but with the absence of earning power, no dividends are being paid on the capital stock.

Capitalization— Authorized Outstanding
Class A non-cum. 23,000 shs. 23,000 shs.
Class B .... 23,000 shs. 23,000 shs.
No par value.

Funded Debt—
None.

Dividend Record—
Class A—None at present; $2.25 paid regularly from Sept. 15, 1928 to June 15, 1931; reduced to $1 per annum, Sept. 15, 1931; passed March 15, 1932; none since.
Class B—None paid.

Head Office—Montreal.

Officers and Directors—
Officers—Mrs. René T. Leclerc, pres.; Henri Merrill, vice-pres.; L. R. Philie, sec.-treas.
Directors—L. R. Philie, Mrs. René T. Leclerc, F. A. Beique, G. O. Soucie, H. Merrill, Montreal, Que.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928†	78,314	25,760	53,362
1929	116,815	51,750	114,196
1930	103,127	51,750	160,212
1931	‡13,157	37,490	71,001
1932	15,688	......	54,266
1933	11,913	......	34,564

‡Loss. †Covering period from June 10, 1928 to Dec. 31, 1928.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Class B	1⅛	1	2	1	1¼	1¼
Class A	2⅜	2	5	2	..	..

*To Oct. 16.

National Breweries Pushes Yeast Sales

The National Breweries, Montreal, is conducting an aggressive sales campaign for its yeast products, which it started to feature in 1932.

The company stresses the health value of its yeast in current newspaper and radio advertising. While yeast is not a major item in the company's business, such sidelines are believed to be profitable.

Nat. Biscuit & Confection Reported Better Business

National Biscuit and Confection Co., which manufactures plain and fancy biscuits and candies at its plant in Vancouver for the trade in British Columbia and Alberta, had net operating profit in 1933 of $20,693, sufficient to meet bond interest of $10,400, sinking fund provision of $5,000, depreciation and income tax and to leave $15 to add to surplus. It was pointed out that taxes had increased from $5,876 in 1931 to $32,773 in 1933, exclusive of income taxes. At the end of 1933 current assets were $76,006 and current liabilities $57,509. Of $160,000 outstanding 6½ per cent first mortgage bonds, the trustee held $22,000 in the sinking fund at the end of 1933.

The company has also sold in the United States, the Orient, Australia and New Zealand.

Capitalization— Authorized Outstanding
Preferred $75,000 $58,900
Common 25,000 25,000
Par $100.

Funded Debt—
1st mtge. 6½ per cent bonds, due 1950, outstanding $160,000.

Head Office—Vancouver.

Officers and Directors—
Officers—L. H. Nicholson, pres. and man. dir.; E. R. McDermid, vice-pres.; Arnold Shiell, sec.-treas.; H. S. Wilders, sales mgr.
Directors — L. H. Nicholson, Arnold Shiell, H. S. Wilders, E. B. McDermid, A. R. Fanning, T. G. Beattie, all of Vancouver.

Earnings—Net operating profit for year ended Dec. 31, 1933, after provision for bad debts, $20,693; bond interest, $10,400; sinking fund depreciation, $5,000; other depreciation, $4,175; reserves for taxes, $1,104; surplus for year, $15; previous surplus, $15,355; surplus carried forward $15,370.

Ontario Bakeries Assets Are Finally Liquidated

At the end of 1933, Ontario Bakeries Co.'s remaining assets were sold for $65,000 to George Weston Bread and Cakes, Ltd. In purchasing the assets, the purchaser did not assume any of the company's liabilities.

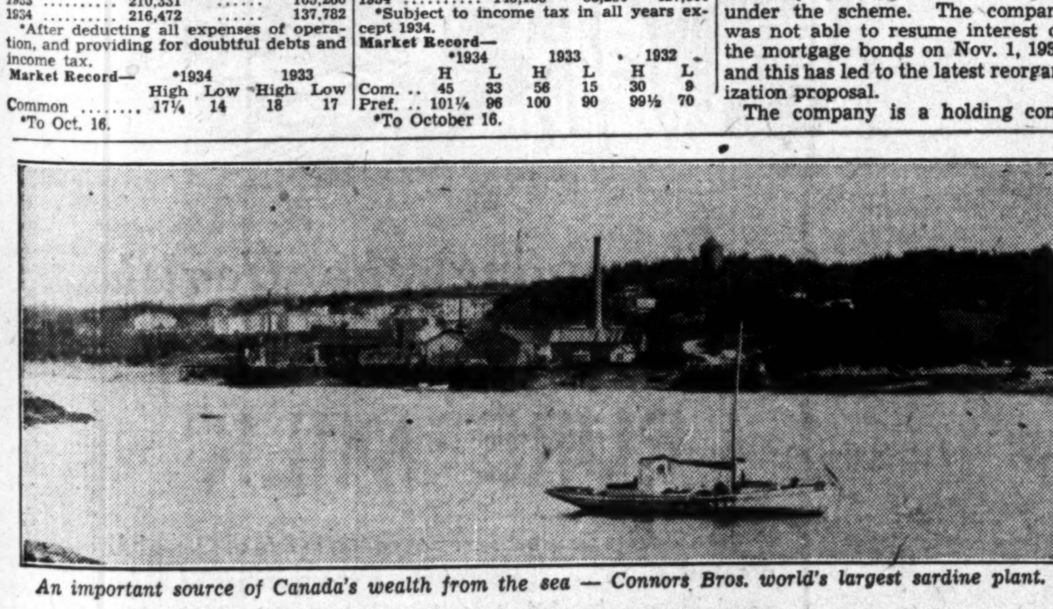
The bondholders have received no interest since 1930 and in April 1931 agreed to await interest payments until January 1, 1933. Nothing could be paid then and liquidation followed. Control was held originally by Canadian Terminals, Ltd., which promoted the company as a merger of many small bakeries. bonds were outstanding and the liquidating value was very small.

Capitalization— Authorized Outstanding
Preferred $2,000,000 $2,000,000
Par $100.
Common .... 100,000 sh. 100,000 sh.
N.p.v.
*Canadian Terminal System owns $155,500 preferred and 51% of the common.

Funded Debt—
6 per cent 1st mtge. series A bonds, due 1946, outstanding $904,500. Interest defaulted Jan. 2, 1931, and bondholders' committee formed. A. T. Field, Toronto, sec. bondholders' committee. In April, 1931, bondholders agreed to defer interest until Jan. 1, 1933.

Head Office—Toronto.

Officers and Directors—
Officers—A. H. Monteith, pres.; J. A. Arnold, vice-pres.; W. C. Duncan, gen. mgr.; W. F. Williams, sec.-treas.
Directors—A. H. Monteith, Paris, Ont.; J. A. Arnold, Leslie H. Boyd, Montreal; W. R. Sweeny, W. C. Duncan, Toronto; J. J. McKnight, Tottenham, Ont.; R. W. Knott, J. M. Hughes.



An important source of Canada's wealth from the sea — Connors Bros. world's largest sardine plant.

Carrying Canada's Good Name To World Markets

Connors Bros. Sardines—packed in the world's largest sardine plant at Black's Harbour, N.B.—are sold in over 100 different countries.

Through their quality, they are builders of goodwill for Canadian products throughout the world.

These broadening markets for Connors Bros. brands have been won not only through pioneering sales effort in all parts of the world but through scientific research in the improvement of the products in the company's own modern laboratories.

The food content value of Connors Bros. products is recognized as very high. Eat them for enjoyment and health.

Brunswick, Jutland, Glacier and Dining Car Special Sardines, Chicken-Haddies, Finnan Haddies, Herring in Tomato Sauce, Fresh Herring, Kippered Herring, Clams in Bouillon, Kippered Snacks.

CONNORS BROS. LIMITED
BLACK'S HARBOUR, N.B., CANADA

The Sign of "Hidden Values"

Many years ago the wise Agassiz taught the student to observe by closeting him for days with a fish. Not until the student could state every observable fact about the fish was he permitted to turn his attention to more pleasant studies.

Even then there must have been many things the student could not see but "took for granted". There are few things in the modern world that we can afford to take at their face value . . . . *unless we know and trust the maker.*

So much is hidden.

Particularly is this true of electrical apparatus. From the early days of this electrical age, when Westinghouse gave the world the first alternating system of power distribution, people have learned by experience to know and to trust products bearing the Westinghouse trade mark.

This sign is the buyer's guarantee that the "hidden values" are *there.*

CANADIAN WESTINGHOUSE COMPANY, LIMITED
HAMILTON - ONTARIO
Branch Offices and Repair Shops in all Principal Cities

Westinghouse

8174

City Dairy

City Dairy Co., Limited
The Drimilk Co., Limited

Head Offices:
Spadina Crescent, Toronto

Plants of the Company at:

TORONTO
WOODSTOCK
EMBRO
SIMCOE
LISTOWEL
STRAFFORDVILLE
PRINCETON

Branch Offices and Warehouses at:

MONTREAL, QUE.
WINNIPEG, MAN.
VANCOUVER, B.C.
SAINT JOHN, N.B.
LONDON, ENGLAND

CANADIAN CANNERS

With Light Packs in Most Lines This Fall, Clean-up of Carryover Anticipated at Firmer Prices

Since 1932, which was the low point in canning company profits, Canadian Canners Ltd. and other concerns similarly engaged, have been reporting improvement, and it is confidently expected that the end of the present consuming season will see stocks back to normal.

After many years of steady and substantial profits this company reported a net loss of $103,136 in 1932, an inventory of over $7,000,000 and a bank loan of $2,116,187. For the fiscal year ended Feb. 28, 1933, there was a net profit of $303,785 and a sharp decrease both in inventory and bank loans. The end of the next fiscal year saw inventory reduced to less than $5,000,000, a bank loan of $596,614 and a net profit of $342,908.

Heavy Carry-over

All canning companies, Canadian Canners included, entered 1932 with very heavy supplies of canned goods which meant an abnormally reduced purchasing power on the part of the general public. Even at the beginning of the present year a substantial carry-over of canned goods, particularly tomatoes, was reported but with the very light crop this fall a clean-up of all supplies is anticipated. Moreover, steadily rising prices in practically all lines in the last few months and the possibility of export to the United States where crops were even shorter than in Canada, has brightened the picture considerably.

A very substantial improvement in earnings is expected of Canadian Canners for the current year with a net profit of somewhere around the 1931 figure when $610,765 were reported, indicated.

This company operates a general canning business with 58 factories in Ontario, four in Quebec and eight in British Columbia. In addition, it owns and operates farms in nine different counties in Ontario. The company was formed in 1903 as Canadian Canners Consolidated Co., and commenced operations with 30 factories. In 1904 the name was shortened to Canadian Canners Ltd. This company is regarded as the largest in the field. Its main market is Canada, but in certain years there is opportunity for a considerable export to the United States and in recent years a very important market has been built up in Great Britain.

Capitalization—

	Authorized	Outstanding
1st pref. 6% ..... Par $100.	$5,000,000	$3,884,850
2nd conv. pref... N.p.v.	400,000 sh.	363,732 sh.
Com. (n.p.v.) ...	200,000 sh.	137,784 sh.

Funded Debt—
General mortgage bonds, 6 per cent, due 1950, $2,273,900. First mortgage sinking fund, 6 per cent bonds of Dominion Canners, due 1940, $905,000.

Dividend Record—
1st preferred—6 per cent, cumulative, payable 1st Jan., Apr., July and Oct.; paid regularly since Jan., 1928.
Second preferred—Present rate 30c. per share per annum, payable Jan., Apr., July and Oct. 1. Increased from 20c. per share per annum with payment of 7½ cents on April 2, 1934. Bonus of 10 cents per share paid Jan. 2, 1934.
Common—None at present.

Subsidiaries—(Wholly owned)—
Canners Seeds, Ltd., Wellington, Ont.—Grows seeds for improvement of vegetables.
Pembroke Shook Mills, Ltd.—Makes boxes for canning and other industries at Pembroke, Ont.
Canners Machinery, Ltd.—Manufactures machinery and repair parts at Simcoe, Ont.
Wagstaffe, Ltd.—Hamilton, Ont.
St. Hyacinthe Canning Co.—St. Hyacinthe, Que.

Head Office—Hamilton.

Officers and Directors—
Officers—Avern Pardoe, pres.; Mark Bredin, chm. and 1st vice-pres.; W. R. Drynan, 2nd vice-pres. and gen. mgr.; C. E. Innes, asst. gen. mgr.; P. Croucher, sec.-treas.
Directors—W. R. Drynan, A. Leitch, Hamilton; Avern Pardoe, W. G. Lumbers, H. C. Schofield, Mark Bredin, J. A. Northway, Toronto; Lt.-Col. W. G. MacKendrick, Oakville; W. L. Innes, C. E. Innes, Simcoe; E. A. Pearce, Picton; G. C. Edwards, Ottawa.

Times Interest Earned—
Yr. end. Feb. 28:

	1934	1933	1932
Before depr. & after exch., int., etc. ...	•3.81	•3.24	1.46
After depr., exch., int. etc.	•2.62	•2.35	0.51

Earn. per Share and Div. Record—

	1934	1933	1932
1st pref.: Earn.	$8.83	$7.80	nil
Paid	6.00	6.00	$6.00
2nd pref.: Earn.*	0.30	0.08	nil
Earned†	nil	nil	nil
Paid	0.30	0.47	0.77
Com.: Earned†	nil	nil	nil
Paid	nil	0.05	0.42½

* Before taking into consideration dividend provision governing second preference and common shares.
† After taking into consideration dividend provision governing second preference and common shares.
• Includes premium on U. S. funds.

Seven Years Earnings—

Year	•Earnings $	Dividends $	Surplus $
1927*	‡813,465	442,038	655,548
1928*	‡836,205	492,167	766,130
1930§	1,909,633	633,551	980,208
1931†	1,025,037	739,591	851,382
1932†	511,656	612,053	541,013
1933†	729,017	451,267	393,531
1934†	804,002	342,206	394,233

* Year ending Dec. 31.
† Year ending Feb. 28.
§ Jan. 1, 1929 to Feb. 28, 1930.
‡ After depreciation.
• After taxes.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	8½	5	10¾	2½	6¾	1¾
1st pref. .	88¼	75	81	48	80	40
2nd pref. .	10½	6⅞	14	3⅜	9	3¾

* To Oct. 16.

BRITISH COLUMBIA PACKERS

Leading Canner of Salmon on the Pacific Coast Has Better Run in Present Season — Costs Are Higher

In the year ended February 28, 1934, net loss of B. C. Packers was only $94,818 as compared with a loss of $287,219 in the preceding year. This brought the accumulated deficit to $1,946,979 and this amount was increased to $3,380,542 by further write-offs on property and reserves for contingencies and loss on sale of shares. The working capital deficiency was somewhat reduced but was still $207,518.

The company was obliged during the season of 1933 to pay 50 cents instead of 30 cents for sockeye salmon from the central and northern districts. This higher price prevented the company making a profit on that business. The same price, it is understood, obtained this season but sales arrangements had been made in view of it.

The shares of the company have been removed from the Montreal and Toronto Stock Exchanges and are now being traded on the Montreal curb market. This followed the removal of the transfer registry from Toronto to Vancouver.

About September 22, the total pack of salmon amounted to 1,059,000 cases as compared with 950,000 cases for the corresponding period in 1933. The sockeye pack, which is the most easily saleable salmon caught, is stated to be more than 340,000 cases as compared with about 250,000 cases in 1933. This is the best catch of sockeye since 1930. The strong run of salmon up the Fraser River will also be of advantage to this company.

This company as a rule packs about half the Pacific coast salmon pack in Canada. It suffers somewhat from intense competition in the British markets from Japanese and Russian rival salmon canners. Its chief difficulties, however, resulted from the tremendous inventories built up in 1930 and their liquidation in succeeding years at lower prices. Bank loans have been reduced considerably in recent years.

In order to increase the acceptability of their salmon in England, the Dominion Government has in the last few years applied rigorous inspection as to quality and grades of salmon.

Capitalization—

	Authorized	Outstanding
Pref. cum. ...... Par $100.	$5,000,000	$3,940,500
Common, n.p.v...	500,000 sh.	277,662 sh.

Funded Debt—
Wallace Fisheries, 1st mtge. deb. stock, 6 per cent, due 1936, outstanding *$312,300. Guaranteed by B. C. Fishing & Packing Co.
* Of which $14,300 was held by B. C. Packers or its subsidiaries.

Dividend Record—
Preference—Entitled to 7 per cent per annum, cumulative from April 1, 1929, payable quarterly, July, Oct., Jan. and Apr. 1. Initial dividend paid July 1, 1929, and regularly to Oct. 1, 1930. Dividend due Jan. 1, 1931, deferred. None since.
Common—None paid to date.

Subsidiaries—(Wholly-owned).
British Columbia Fishing & Packing Co., Ltd.—Owns the Wallace Fisheries, Ltd., Packer Steamships Co., and Skeena River Packing Co. Ltd.
Goose Packing Co., Ltd.—Incorporated in 1926 with B. C. charter.
Millerd Packing Co.

Head Office—Vancouver.

Officers and Directors—
Officers — H. R. MacMillan, pres.; Stanley J. Burke, vice-pres.; C. C. Thomas, man. dir.; J. M. Buchanan, sec.
Directors—H. R. MacMillan, Stanley J. Burke, C. C. Thomas, F. E. Burke, George E. Kidd, J. P. D. Malkin, S. K. Murray, all of Vancouver; J. H. Gundy, A. H. Williamson, Toronto.

Five Year Earnings—Years Ended Feb. 28

Year	Earnings $	Dividends $	Surplus $
1930	634,276	205,422	715,259
1931	*897,377	208,850	*759,629
1932	*451,679	......	*1,659,760
1933	81,022	......	*1,946,979
1934	108,290	......	*3,380,542

* Loss or deficit.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	3⅞	1⅛	8	1	3½	⅝
Pref.	15	10	20	6	8½	4

* To Oct. 16.

ASSOC. QUALITY

Recent Heavy Losses Are Expected to be Much Reduced

Associated Quality Canners Ltd. was incorporated in 1928. It is engaged in the canning and packing of fruit and vegetables and manufacture of jams, jellies, marmalades, etc. The company owns and operates 13 canning plants which operate in the recognized canning areas of Ontario as well as a plant at New Liskeard. In January, 1929, control of the company was acquired by the Whittall Can Co. of Montreal and the head office was changed from Windsor to Toronto. The main trademark of the company is "Nature's Best." After very substantial profits in 1929 and 1930 the company ran into losses which reached a peak of $606,836 in 1932. Inventories in that year amounted to $1,800,631 and bank loans to $1,865,000. Since then losses and bank loans have been reduced, the former being $383,609 for the year ended February 28, 1934, and the bank loan $1,328,934.

While not expecting to get entirely clear of the deficit this year, it is understood that last year's loss will be reduced very considerably. With the continuance of present conditions the company hopes to get away to a fresh earnings start in 1935. Credit for the change is given to the very short canning crop in eastern Canada this year, rising prices in the last few months for most lines, and the possibility of substantial exports. With some lines of canned goods already sold out, it is understood that there is a good possibility of disposing of last year's substantial carry-over as well as the present pack to good advantage. Earnings of this company are closely linked with Whittall Can which owns the majority of the outstanding common shares and all the bonds of Associated Canners. The controlling company assumed $287,800 of the Associated Quality deficit in 1934.

ASSOCIATED QUALITY CANNERS
(Controlled by Whittall Can Co.)

Capitalization—

	Authorized	Outstanding
Common (n.p.v.)	100,000 shs.	82,615 shs.

58,335 shares of the outstanding stock owned by the Whittall Can Co. through its wholly-owned subsidiary, Asquacan, Ltd.

Funded Debt—
6 per cent 1st mtge. bonds series A, due 1942, outstanding $500,000.

Dividends—
Common—None at present. Was $1.50 per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Initial dividend of 37½ cents paid Dec. 1, 1928, and regularly until Dec. 1, 1930. Payment due Mar. 1, 1931, passed. None since.

Head Office—Toronto.

Officers and Directors—
Officers—A. R. Whittall, chm. of board; F. R. Whittall, pres.; Hon. Manning Doherty, vice-pres.; F. R. McIntosh, act. gen. mgr.; P. G. Prior, sec.-treas.
Directors—F. R. Whittall, D. S. Whittall, A. R. Whittall, Col. E. G. Hanson, J. R. Hughes, Montreal; Hon. Manning Doherty, Toronto.

Six Years Earnings—
Year End. Feb. 28:

Year	Earnings $	Dividends $	Surplus $
1929	298,636	60,000	160,795
1930	261,382	120,675	226,236
1931	52,744	90,675	106,494
1932	‡539,545	......	†577,945
1933	‡393,734	......	†1,129,629
1934	‡323,728	......	†1,537,515

‡Loss. †Deficit.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com. ..	4½	4½	..	..	3	3

*To Oct. 16.

ATLANTIC SUGAR

Big Producer Continues Regular Dividends on "A" Stock

Little public investment interest exists in the securities of Atlantic Sugar Refineries, since control of that company passed into new hands in the early part of 1932. No financial statements have been issued since that time, but inasmuch as the company is continuing to pay regular dividends on its stock, it is presumed that operations and earnings have been on a satisfactory basis. Payment of dividends on the company's Class A stock was undertaken after the company's funded debt had been reduced below $3,000,000 in accordance with the provisions of the trust deed.

Capitalization—

	Authorized	Outstanding
Pref. A cum. .... Par $100.	$1,111,100	$1,111,100
Pref. B non-cum. N.p.v.	40,000 shs.	40,000 shs.
Common, n.p.v. ..	160,000 shs.	160,000 shs.

Funded Debt—
Gen. mtge. S. F. gold bonds, 5 per cent, due 1941, issued $3,926,247; 5 per cent debenture stock, due 1942, outstanding $911,102.

Dividend Record—
Preferred A 7 per cent cumulative, payable quarterly, Jan., Apr., July and Oct. 1. Initial payment made Oct. 1, 1932, and regularly since.
Preferred B $7 per annum, non-cumulative. None paid to date.
Common—None paid to date.

Head Office—Montreal.

Officers and Directors—
Officers—F. R. Graham, chairman of the board; L. J. Seidensticker, pres.; P. R. Gardiner, vice-pres.; S. A. Hayden, sec.; E. S. Johnston, asst. sec. and treas.
Directors—F. R. Graham, L. J. Seidensticker, J. C. H. Dussault, D. H. McDougall, Montreal; P. R. Gardiner, S. A. Hayden, Toronto; T. J. Dillon, New York.

ACADIA SUGAR

Arrears of Preferred Dividends Reduced to 10½%

No interim statement has been issued by Acadia Sugar Refining Co. as regards its operations or income but judging by the fact that the management continue to pay out additional sums on account of preferred stock dividend arrears, it is presumed that income is on a satisfactory basis. At the beginning of last month, dividends in arrears on the six per cent preferred stock had been reduced to 10½ per cent.

Last year Acadia Sugar reported net earnings of $713,152. This was less than $3,000 under that reported for 1932 but, was considerably more than reported in any of the preceding five years. Net profits available for preferred dividends amounted to $287,172, or more than has been reported for some time. Before taking into consideration arrears of dividends on the preferred stock, earnings on the common last year amounted to 66 cents a share, an increase of four cents a share as compared with the preceding year.

Capitalization—

	Authorized	Outstanding
Pref. cum. ...... Par $5 and £1.	$1,500,000	$1,500,000
Common .... Par $5 and £1.	1,500,000	1,500,000

Funded Debt—
6 per cent 1st mtge. S. F. bonds, due 1946, outstanding $2,051,800; 7 per cent gen. mtge. S. F. bonds, due 1946, outstanding $610,333.

Dividend Record—
Preference—6 per cent per annum, cumulative from July 1, 1926, payable quarterly, March, June, Sept. and Dec. 1. Previous to 1933 was paid semi-annually.
Initial dividend of 3 per cent (15c.) paid Dec. 15, 1930. Subsequent disbursements plus payments on account of arrears have been as follows: 1 per cent Dec. 1931; 1 per cent June 1932; 2 per cent Dec. 31, 1932; 2½ per cent Mar. 1 and June 1, 1933; 3 per cent Sept. 1 and Dec. 1, 1933, and Mar. 1, 1934; 1½ per cent June 1 and 1½ per cent Sept. 1, 1934. After taking Sept. 1, 1934 payment into consideration this issue was 10½ per cent in arrears.

Head Office—Halifax.

Officers and Directors—
Officers—J. McG. Stewart, pres.; D. R. Turnbull, man. dir. and sec.
Directors—J. C. MacKeen, J. McG. Stewart, D. R. Turnbull, O. E. Smith, W. A. Black, Halifax; J. Mitchell, J. B. Ramsay, R. Thom, Glasgow, Scotland; Hon. T. W. McGarry, Toronto.

Times All Interest Earned—

	Dec. 31	Dec. 31	Jan. 2
Year ended:	1933	1932	1932
Before deprec.	4.86	4.47	3.71
After deprec..	2.96	2.72	2.08

Earn. per Share and Div. Record—

	1933	1932	1931
Pref.: Earned†	$0.96	$0.92	$0.61
Paid	.30+.25°	.30+.15°	.30+.05°
Com.: Earned*	0.66	0.62	0.31

None paid.
† Earnings calculated before making provision for arrears in preferred dividends.
* Before provision for arrears but after full preferred dividends for the period.
° Paid on account of arrears.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	398,484	....	127,351
1929	373,720	....	128,311
1930*	466,934	44,999	170,354
1931†	634,394	104,998	249,680
1932	715,973	134,997	391,287
1933	713,152	164,997	510,197

* Year ended Jan. 3, 1931.
† Year ended Jan. 2, 1932.

JENNY LIND

Candy Company is Now Operating Under an Interim Receiver

Jenny Lind Candy Shops Limited was partially financed in 1930 and in October of that year, the company opened its first stores in Toronto. Original plans called for the opening of over 60 stores within the first year but lack of financing made necessary the abandonment of this programme and the company now has some 20 retail stores largely in Toronto where a manufacturing plant is located.

At the instance of the Pure Gold Mfg. Company, the Jenny Lind Candy Shops was placed under an interim receivership with the Premier Trust Company as trustee last May. It is understood that lack of working capital was responsible. In the meantime it is understood that the company will continue to manufacture and sell candies through its present chain of stores.

No financial statement has been issued by the company since it commenced business and no dividends have been paid on the preferred stock.

Capitalization—

	Authorized	Outstanding
Pref. 7% .... Par $35.	$315,000	*$146,625 ..
Common .... No par value.	40,000 shs.	31,000 shs.

*Including $6,010 unpaid balance.

Dividend Record—
Preferred—Entitled to 7 per cent per annum, payable semi-annually, March and Sept. 30. None paid to date.

Head Office—Toronto.

Officers and Directors—
E. G. Robinson, pres.; A. W. Robinson, treas., Toronto; A. E. Hickman, St. John's, Nfld.; A. B. Pollock, Kitchener; C. L. Long, Orillia, Ont.

Activity at Saint John

A report by the Saint John Harbor Commission states that for the first nine months of this year imports amounted to 459,921 tons, compared with 396,030 tons for the same period of 1933.

LAURA SECORD

Big Candy Chain Increases Sales and Earnings in 1934

Laura Secord Candy Shops Ltd. is engaged in the manufacture and retail distribution of chocolate products and confections through its 74 shops in Ontario and Quebec cities. The business was started in 1913, incorporated in 1926 and grew rapidly to its present dominating position in this field. There are 27 shops in Toronto, 27 in Montreal, three each in Hamilton and Ottawa, two in Quebec City and one each in Windsor, London, Kitchener, Kingston, Peterborough, Brantford, St. Catharines, Guelph, Chatham, Lachine, Sherbrooke and Three Rivers. The company manufactures its candy in two "studios" one of which is located in Toronto and the other in Montreal.

Other Interests

In addition, the company owns a subsidiary known as Candyteria Ltd., which operates a chain of seven shops in Toronto and Montreal and sells a lower priced candy. The Laura Secord Co. also owns a minority interest in Fanny Farmer Candy Shops, Inc., which operates a chain candy business in the Northern States.

This company is in a remarkably sound condition with current assets exceeding other assets by over five to one. A report of the fiscal year ended Sept. 30, 1934, appears elsewhere in this issue.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	57,500 shs.	57,500 shs.

Funded Debt—
None.

Dividend Record—
Common: present rate $3 per annum, payable Mar., June, Sept. and Dec. 1. Initial dividend of 50c. paid Dec., 1928, and regularly to Dec., 1929, when increased to present rate.

Head Office—
60 Bathurst St., Toronto.

Officers and Directors—
Officers—Frank P. O'Connor, pres. and chm. of board; J. D. Hayes, 1st vice-pres. and gen. mgr.; W. J. O'Connor, 2nd vice-pres.; C. P. Moher, 3rd vice-pres.; C. H. Ellston, sec.-treas.
Directors—Frank P. O'Connor, J. D. Hayes, C. H. Ellston, C. P. Moher, Toronto; A. A. Audette, Montreal.

Subsidiary—
Candyteria, Ltd. Incorporated June, 1933, with a Dominion charter. Authorized capital, 500 shares of no par value. Wholly owned by parent company.

Earn. per Share and Div. Record—

	1933	1932	1931
Common: Earned	$3.79	$4.89	$5.22
Paid	3.00	3.00	3.00

Six Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1928	246,438	49,397	281,198
1929	379,765	120,716	500,246
1930	379,754	171,573	788,427
1931	300,037	172,513	836,744
1932	281,262	172,500	945,506
1933	218,037	172,500	987,043

*After all operating expenses and provisions for bonus, depreciation, income taxes and in all years except 1931, depreciation in market value of bonds and reserve against investment in associated company.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Common	59	47½	51	36	40	28

*To Oct. 16.

FANNY FARMER

Substantial Increase in Sales and Earnings Reported This Year

Fanny Farmer Candy Shops Inc., is under the same control and management as the Laura Secord Candy Shops Ltd. It operates some 157 stores throughout the States of Massachusetts, Minnesota, New York, New Jersey, Ohio, Pennsylvania, Rhode Island and Wisconsin. All of the candies sold in these stores are manufactured in the six factories of the company in the United States. The business was established at Rochester in 1919, but no shares were offered to the public until 1926.

Good Sales

Since 1925 the annual sale of the company has averaged over $3,000,000. For the year ended December 31, 1933, net profit amounted to $219,256 as compared with $147,725 in 1932. After dividends on the common and preferred stock, sinking fund requirements and the redemption of preferred stock, and cost of common shares purchased and registered in the corporation's own name, there was a surplus for the year of $64,789 as compared with a surplus in 1932 of $43,751.

A very substantial increase in earnings is anticipated for the current year following the report that sales for the first eight months were over 25 per cent higher than for the corresponding period in 1933. At that time it was understood, too, that the net profit had shown a decided increase and that if the improvements kept up earnings on the old common stock might equal the earnings of 1930 when $2.46 per share was earned.

Early in the summer the preferred shareholders of the company were notified that the entire outstanding issue would be redeemed on July 1 to October 1 at $38 per share and accrued dividends. At that time there were 14,990 of these shares outstanding. This announcement was followed by a special meeting of the company's shareholders at Rochester on September 24, 1934, at which approval was given to the proposal to reduce the authorized number of preference shares from 45,000 to 6,650, the latter number being the number of shares which had not been redeemed and were still outstanding. It was also decided to change the authorized issue of common stock from 100,000 shares of no par value into 400,000 shares of common stock having a par value of $1 each. An extra dividend of 25 cents per share, in addition to the regular quarterly dividend of 25 cents per share, was paid on the common stock in April. It was said that this extra payment was to compensate shareholders for a similar dividend not declared in 1932.

Since the change in share capital it has been reported that Frank P. O'Connor, president and founder of the company proposes disposing of 180,000 of his 200,000 shares of common stock. It is understood however, that Mr. O'Connor has no intention of withdrawing from Fanny Farmer, as with the proposed sale he would still retain 25 per cent control.

Capitalization—

	Authorized	Outstanding
Pref.	45,000 shs.	6,650 shs.
Com. .... n.p.v.	100,000 shs.	97,628-2/3 shs.

In Sept. 1934 shareholders approved of a reduction of the preferred shares from 45,000 to 6,650, the number now outstanding. Approval was also given to change the authorized issue of 100,000 common shares of no par value to 400,000 common of $1 par value, the new shares to be issued for present shares on a four for one basis.

Dividend Record—
Preferred: $2.40 per share per annum, payable Apr., July and Oct. 1, and Dec. 31; paid regularly since July 1, 1926. Payable in U. S. funds.
Common: $1 per share per annum, payable quarterly same dates as preferred dividends; payable in U. S. funds. Initial dividend of 25 cents paid on Apr. 2, 1928, and regularly quarterly to and including Apr. 1, 1932; interim payment of 25 cents paid Jan. 4, 1933; since that time regular quarterly payments of 25 cents per share have been made. In April, 1934, an extra dividend of 25c. per share was paid in consideration of dividend not paid in 1932.

Head Office—Rochester, N.Y.

Officers and Directors—
Officers—F. P. O'Connor, pres. and chm.; J. D. Hayes, 1st vice-pres.; W. J. O'Connor, 2nd vice-pres.; C. P. Moher, 3rd vice-pres.; C. H. Ellston, sec.-treas.
Directors — F. P. O'Connor, J. D. Hayes, Toronto; C. H. Ellston, M. I. Farrell, J. P. Hogan, Rochester.

Earn. per Share and Div. Record— $

	1933	1932	1931
Pref.: Earned*	$13.98	$8.97	$11.59
Paid	2.40	2.40	2.40
Com.: Earned	1.77	1.02	1.44
Paid	1.00	0.50	1.00

* After deduction of preference stock sinking fund.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	463,777	164,692	1,151,230
1929	529,661	148,953	1,182,003
1930	407,809	142,906	1,324,955
1931	278,722	139,146	1,282,344
1932	189,725	86,417	1,326,095
1933	286,256	134,437	890,885

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	32½	11⅛	15	8½	10	7
Pref.	38	28	29½	23	29	25

* To Oct. 16.

HUNT'S LTD.

Expecting to Recover from Small Losses of Recent Years

Hunt's Ltd. operates a chain of 32 candy and ice cream stores and tea rooms, 26 of which are located in Toronto, two in Ottawa, two in Hamilton, one in London and one in western Ontario. The company manufactures all its own candy, ice cream, cakes, pastry, rolls, bread, etc. Earnings, therefore, are derived from several allied lines all of which have been affected more or less in the last three years.

"While no official report has been issued during the current fiscal year, it is understood that sales and profits to date are substantially above the same period a year ago. The company has a good liquid position with current assets of $92,902 as against liabilities of $43,091 at the end of the last fiscal year, leaving working capital of approximately $50,000.

Capitalization—

	Authorized	Outstanding
Class A	100,000 shs.	18,656 shs.
Class B .... No par value.	15,000 shs.	15,000 shs.

Dividend Record—
Classes A and B—Present rate 50c. per annum, payable Jan., April, July and Oct. 1; $1 per annum paid in 1929 and 1930; increased to $1.40 April, 1931; decreased to $1 July, 1932, and to present rate April, 1933. Bonus of 50c. per share paid Jan., 1930, and Jan., 1931.

Subsidiary—
Modern Properties, Ltd. — Formed in 1930 to take over property on Bloor St. near Yonge St., Toronto. Property acquired to assure company of a site should lease on present store be cancelled. Wholly owned.

Head Office—65-67 Walker Ave., Toronto.

Officers and Directors—
Officers—H. W. Hunt, pres. and man. dir.; L. K. Hergert, sec.-treas.
Directors—H. W. Hunt, A. F. Schnaufer, J. A. Young, J. H. Ratcliffe, L. K. Hergert, all of Toronto.

Earnings per Share and Dividend Record—

	1933	1932	1931
Classes A & B:			
Earned	nil	nil	$1.62
Paid	$0.50	$1.10	1.40

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	*69,668	42,869	171,234
1929	139,360	53,594	216,513
1930	138,897	50,484	251,072
1931	102,985	47,118	172,691
1932	50,041	37,021	135,047
1933	39,230	16,832	106,967

*Net profit.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Class A	18	9	14	4½	17¾	6½
Class B	16	8½	10	5	..	..

*To Oct. 16.

bread, cakes and other products and maintaining a national distribution organization."

The ultimate showing of the company for 1934, of course, will depend very largely upon the volume of Christmas trade. It will be several weeks before there will be sufficient returns to indicate just how this trade will shape up.

Since the reorganization of this company, the early part of last year, when the bondholders took over the management, drastic economies had been put in effect. The volume of business available to the company in 1933 was below normal and the income statement shows a deficit on operations amounting to $71,133. At the end of last year the company reported a bank loan of $349,000 but at the annual meeting in March it was reported that the loan had been reduced to $198,000.

Under the reorganization plan, the company's funded debt was reduced by 50 per cent while interest charges do not become cumulative until after January 1, 1935.

MOIRS

Some improvement is anticipated in the earning power this year of Moirs Ltd., manufacturers in Halifax of chocolates, confectionery,

Buywell
FOOD MARKETS, LIMITED.
A cordial invitation is extended to our numerous shareholders and friends to visit the latest "Buywell" market recently opened at 1319-21 St. Catherine Street West, adjoining Ogilvy's Limited Departmental Store.
This market has been proclaimed to be the finest and largest in the Dominion of Canada.
Buywell Food Markets Limited
M. ZAHLER, President.
J. H. MAGID, General Manager.
Head Office: 1430 Mansfield St., MONTREAL

MEATS GROCERIES STOP & SHOP FRUITS VEGETABLES
CANADIAN OWNED CHAIN
OF
112 Meat, Grocery, Fruit and Vegetable Stores
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TORONTO, MONTREAL and ONTARIO
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That are 98.65% Owned by Canadians
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STOP & SHOP LIMITED

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PURE MILK
Eastern Dairies Limited . . . operating in five of Canada's greatest cities . . . assures these communities of a dependable supply of that most vital element in the health-building diet — pure Milk. Eastern Dairies' Milk is safeguarded every step of the way from herd to doorstep, none but the safest and most modern methods being used in its handling. Each of Eastern Dairies five great plants is completely staffed and equipped with one end in view — to supply dependable, safeguarded milk to an ever-increasing clientèle.
EASTERN DAIRIES LIMITED
OWNING AND OPERATING
Acme Farmers Dairy Limited . . . . Toronto
Acme Farmers Dairy Limited . . . . Hamilton
Elmhurst Dairy Limited . . . . Montreal
The Producers Dairy Limited . . . . Ottawa
Crescent Creamery Co. Limited . . . . Winnipeg
CANADIAN COMPANIES OWNED AND OPERATED BY CANADIANS

NAT. GROCERS

Earnings and Sales Show Big Improvement — Paying Arrears

National Groceries Company is one of the principal wholesale distributors of groceries in Ontario and has been operating with a large degree of success since the company was formed in 1925. This was a consolidation of some 32 wholesale grocery companies. For the year ended June 30, 1934 the company showed a net profit of $389,628 as compared with $308,628 in the previous year. The preferred stock in 1934 earned $13.19 per share as compared with $10.45 per share in 1933. Dividends paid in 1934 amounted to $7 as compared with half this amount in 1933. During the last fiscal year, the current liabilities were reduced from $2,302,335 in 1933 to $1,485,016 in 1934. The working capital was increased from $1,792,430 to $3,040,370. This substantial improvement was due almost entirely to a reduction in the bank loan which stood at $992,-560 in 1933 to $321,421 in 1934.

Dividends

The regular dividend of eight per cent was paid on the first preference stock from 1926 to 1931 when this stock was entirely reduced. Dividends during the period on the other preferred stock fluctuated from 1929 until 1934 from nothing in volume up to seven per cent. Following the payments on September 1, 1934 arrears on the preferred stock amounted to $38.50. It is understood that the company intends to pay up fully these arrears before there will be anything available on the common stock. The latter earned 54 cents per share in 1934 after deducting full year's preference dividends but taking arrears into account. This compares with 34 cents in 1933. No dividends have been paid on this stock.

The company has been steadily building up its working capital at the end of the last fiscal year, it was reported at $3,040,370 or a ratio of 3.09 net assets to one of current liabilities. It is understood that since the end of the last fiscal year on June 30, 1934 the rate of improvement has been maintained.

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	300,000 shs.	295,852 shs.
Pref. 7% cum. ..... Par $100.	3,500,000	2,953,200

Funded Debt—
1st mtge. bonds, 6 per cent, due 1948, outstanding $1,169,800.

Dividend Record—
Preference—Entitled to 7 per cent per share per annum, cumulative, payable quarterly, Jan., April, July and Oct. 1. Dividends of $1.75 paid Jan. and July, 1929, Jan. and July, 1930, Oct., 1931 and Jan. and July, 1933; $2.61 paid Jan. 1, $1.75 Apr. 1 and May 1, 1934, on arrears; $1.75 paid July 2, 1934; $3.50 on arrears paid Sept. 1, 1934, after which arrears amounted to $38.50 per share.
Common—None paid to date.

Head Office—21 Front St. E., Toronto.

Officers and Directors—
Officers — A. M. Woolnough, chm.; Archie Foster, pres. and gen. mgr.; John Medland, vice-pres.; T. H. Kinnear, sec.-treas.
Directors—A. M. Woolnough, Archie Foster, John Medland, T. H. Kinnear, David Blain, Toronto; M. D. Lemon; W. G. McLauchlan, Owen Sound; A. J. Major, Ottawa; J. H. Simpson, Guelph; Hon. George Gordon, North Bay; W. H. Kenny, Sarnia.

Times Bond Interest Earned—

Yr. end. June 30:	1934	1933	1932
Before deprec.	7.06	7.26	6.44
After deprec.	5.85	5.81	5.17

Earn. per Share and Div. Record—

Pref.: Earned	$13.19	$10.45	$9.08
Paid	7.00	3.50	1.75
Com.: Earned*	0.54	0.34	0.21

None paid.
* After deducting full year's preference dividends but before taking arrears into account.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	585,518	74,254	265,116
1929	695,016	163,396	452,716
1930	620,587	152,334	562,798
1931	567,064	26,734	634,176
1932	569,291	51,681	809,328
1933	601,109	103,362	837,007
1934	711,593	230,744	981,891

Market Record—

	*1934 H	L	1933 H	L
Preference	118	90½	100	85

* To Oct. 16.

CATELLI-MACARONI

Earning Power on Restricted Basis in Past Few Years

There does not appear to have been any marked improvement in the position of Catelli-Macaroni Products Corp., which operates a national organization for the manufacture and distribution of macaroni and other products. Earnings of the last two or three years have been on a relatively small basis, practically all of the operating profits, averaging a little better than $80,000 annually, have been charged up to depreciation account. No dividends have been paid on the capital stock of Catelli-Macaroni since 1930, nor does there appear to be any likelihood of an early resumption of disbursements.

The financial position of the company, as shown by the balance sheet dated November 30, 1930, appears to be satisfactory. Net working capital amounts to $446,573. The company has no funded debt, its capital consisting of Class A preference and Class B common stock.

Capitalization—	Authorized	Outstanding
Class A pref. ... Par $30.	$1,800,000	$1,439,610
Class B cum. .. No par value.	125,000 shs.	30,000 shs.

Funded Debt—
None.

Dividend Record—
Class A Preferred—Entitled to $2 per annum, cumulative, payable 1st Mar., June, Sept. and Dec.; paid regularly Dec. 1928, to Sept. 1, 1930; none since.
Class B Common—None paid.

Head Office—305 Bellechasse St., Montreal.

Officers and Directors—
Officers — Aimé Geoffrion, pres.; A. Bienvenu, vice-pres.; Paul Bienvenu, man. dir.; Peirce Murphy, sec.
Directors—Aimé Geoffrion, A. Bienvenu, R. R. Dobell, W. W. Hutchinson, Alphonse Raymond, Paul Bienvenu, Henri Geoffrion, Montreal; I. Rader, Vancouver; J. Sirois, Quebec.

Earnings per Share and Dividend Record:

Class A:	1933	1932	1931
Earned†	nil	$0.05	$1.04
Earned‡ ...	nil	nil	nil
Paid	nil	nil	nil
Class B:			
Earned‡	nil	nil	nil

None paid.

† Before taking participation features into account.
‡ After taking participation features into account.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Class A	9½	7	10	5½	12	7
Class B	2¾	1	2	1	..	..

* To Oct. 16.

Log Scale Higher

In the first eight months of this year, the British Columbia log scale was 1,297,000,000 ft., an increase of 35 per cent over the corresponding period last year. In the month of August, the scale was 206,000,000 ft. compared with 169,000,000 ft. in August, 1933.

WESTERN GROCERS

Wholesale Company in Winnipeg Has Increasingly Favorable Experience After First Bad Effects of Depression

Western Grocers has been showing encouraging increases in sales and earnings during 1931, 1932 and 1933. During the first seven months of 1934 earnings are understood to have been sufficient to pay the preferred dividends for the entire year. An official indicated expectations of further improvement in the remaining five months of 1934.

Western Grocers sells to the Red & White chain which comprises some 700 stores which are independently owned by customers of the company. The company maintains head office, warehouse and cold storage plants at Winnipeg and has plants and warehouses located at Calgary, Edmonton, Lethbridge, Moose Jaw, North Battleford, Prince Albert, Regina, Saskatoon, Yorkton, Brandon, Dauphin, The Pas, Winnipeg, Fort Frances, Kenora and Port Arthur.

Recent improvement is due not only to improvement in gross profits but to savings in operating expenses, rapid turnover of stock and close collection of accounts receivable. Bank loans which were increased materially in the fall of 1932 when the company purchased the capital shares of Nash Simington Co., an organization wholesaling fruit and vegetables, have been progressively reduced in 1933 and 1934. This has had a beneficial effect in savings of interest as an operating expense in 1934. Nash Simington Co. has no bonded indebtedness and no bank liabilities but during 1933 the balance sheet valuation was reduced by $455,343 by redeeming part of the shares. Nash Simington Co.'s name has been changed to Dominion Fruit Ltd., and it is now a private company owned completely by Western Grocers.

Capitalization—	Authorized	Outstanding
Pref. 7% cum. .. Par $100.	$2,500,000	$1,194,300
Com. (n.p.v.) ..	30,000 sh.	16,943 sh.

Funded Debt—
None.

Dividends—
Preference—$7 per annum, cumulative, payable Jan., Apr., July and Oct. 15. Paid regularly since 1926.
Common—A dividend of $1 per share was paid March 15, 1927. None since.

Subsidiary—(Wholly-owned)—
Dominion Fruit, Ltd.—A wholesale fruit and vegetable organization operating in Western Canada.

Head Office—Winnipeg.

Officers and Directors—
Officers—W. P. Riley, pres.; W. H. McWilliams, vice-pres.; Eben Govan, sec.-treas.; W. S. Graham, asst. sec.-treas.
Directors — W. P. Riley, W. H. McWilliams, H. W. Hutchinson, F. O. Fowler, all of Winnipeg.

Earn. per Share and Div. Record—

	1933	1932	1931
Pref.: Earned	$10.55	$7.40	$6.55
Paid	7.00	7.00	7.00
Com.: Earned.	2.51	0.28	nil

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1927	162,140	100,544	264,010
1928	176,124	83,601	309,491
1929	193,170	83,601	371,799
1930	133,777	83,601	378,307
1931	121,671	83,601	372,909
1932	141,136	83,601	277,713
1933	188,094	83,601	319,043

* After deducting all operating expenses, interest paid on bank and mortgage loans, and making provision for bad and doubtful accounts.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	34	30	30	8	12¼	10
Pref.	100	85	90	54	60½	43

* To Oct. 16.

SILVERWOOD'S

All But Two Subsidiaries Are Now Operating at Profit

Silverwood's Dairies Limited is a holding and operating company which through its subsidiary and associated companies is engaged in Ontario in the sale of milk, cream, ice cream, butter, condensed milk and in some cases a general produce business.

The company originated in London in 1903 and largely in the last 15 years spread all over Western and Central Ontario from Windsor to Peterborough.

Profits

Net profits of the company for the year ended March 31, 1934, were $105,225 or 1.57 per cent of total sales as compared with $173,944 or 2.81 per cent of total sales in the preceding year. This was $15,663 short of the $4 a share now being paid on the preferred stock. It is understood, however, all except two of the 27 subsidiaries of the company are showing increased profits for the current year to date over the corresponding period in 1933.

Difficulties Past

In the opinion of A. E. Silverwood, president of the company, greater difficulties were faced during the four years of depression than would ever again confront the organization. He believed that any change from now on should be reflected in improved earnings from operations. Expenditures, he said, had been cut to the bone except in the uncontrollable matter of taxes. In the last fiscal year, he stated, net earnings would have been $75,000 higher had it not been for the taxes added in 1933. The allowances made on relief milk in various cities in which Silverwoods distributed cost the company $100,000, it was estimated.

Capitalization—	Authorized	Outstanding
7% cum. pref. .... $100 par.	$5,000,000	$2,913,500
6% cum. pref. .... $100 par.	5,000,000	....
Class A com. .... No par value.	975,000 shs.	149,590 shs.
Common .... No par value.	25,000 shs.	25,000 shs.

Funded Debt—
6 per cent collateral trust S. F. debs., series A, due 1942, outstanding $366,150. In addition, installments received on deferred payment subscriptions on this issue totalled $7,654 as at April 1, 1934.

Funded Debt of Subsidiaries—
7 per cent first mortgage bonds of Silverwood's Ltd., due 1937; outstanding $123,-900.
6½ per cent first (closed) mortgage sinking fund bonds of Silverwood's St. Catharines Dairy, due 1943; outstanding $43,600.
6½ per cent first (closed) mtge. sinking fund bonds of Silverwood-Burke Dairy, due 1943; outstanding $1,000.
6 per cent first mtge. bonds of London Cold Storage Co., due 1938; outstanding $21,750.

Dividend Record—
7 per cent preferred—Entitled to 7 per cent per annum, cumulative, Present rate 4 per cent per annum. Initial dividend of 1¾ per cent paid Oct. 1, 1928, and regularly thereafter to April 1, 1932, when declaration of quarterly disbursement made, but payment deferred to June 1, 1932. Payment due July 1, 1932, paid July 30, 1932; regular quarterly payments made Oct. 1, 1932, and Jan. 3, 1933; $1 per share paid April 1, 1933, and regularly since.
Class A and common—None at present; 25 cents paid quarterly from Oct. 1, 1928 to July 1, 1931; 12½ cents paid Oct. 1, 1931; none since. All three classes payable 1st Jan., Apr., July and Oct.

Subsidiaries—
As at Apr. 1, 1934, the capital stocks of subsidiary companies were entirely owned by the parent company with the exception of a minority interest of $2,835
Silverwood's Ltd., London, Ont.
Silverwood's Storage Ltd., London, Ont.
Silverwood's St. Catharines Dairy, Ltd.
Silverwood's Lucknow Creamery, Ltd.
Silverwood's Windsor Dairy, Ltd.
Silverwood's Kitchener Dairy, Ltd.
Silverwood's Elmira Creameries, Ltd., and its subsidiary, Elmira Creamery Co. Ltd.
Silverwood's Chatham Dairies, Ltd.
Silverwood's Sarnia Dairy, Ltd.
Silverwood-Burke Dairy, Ltd., Hamilton.
Silverwood's Brantford Dairy, Ltd., and its subsidiary, Brant Creameries, Ltd.
Silverwood's Peterborough Dairy Ltd., and its subsidiary, Indian River Dairy Ltd.
Silverwood's Stratford Dairy, Ltd.
Silverwood's Woodstock Dairy, Ltd.
London Cold Storage Company, Ltd.
Silverwood's Guelph Dairy, Ltd.
Silverwood's Oxford Dairy, Ltd.
Silverwood's Toronto Dairy, Ltd.
Silverwood's Forest Produce Co., Ltd.
Silverwood's North Bay Dairy, Ltd.
Silverwood's Sudbury Creameries, Ltd.
Silverwood's Cargill Creamery, Ltd.
Silverwood's Cayuga Creamery, Ltd.
Silverwood's Fergus Dairy, Ltd.
Silverwood's Milk Products, Ltd.
Ontario Creamery, Ltd.

Head Office—London, Ont.

Officers and Directors—
Officers—A. E. Silverwood, pres. and chm. of board; W. E. Robinson, vice-pres.; J. H. Duplan, gen. mgr.; J. H. Gillies, sec.-treas.; G. Blake, asst. sec.-treas.
Directors—A. E. Silverwood, W. E. Robinson, G. H. Belton, R. G. Ivey, London, Ont.; E. K. Reiner, Wellesley, Ont.; E. W. Nesbitt, Woodstock, Ont.; W. H. Carruthers, Toronto, Ont.

Earnings per Share and Div. Record:

—12 Months Ended—	Mar. 31 1934	Apr. 1 1933	Apr. 2 1932
7% Pref.: Earn. ...	$3.61	$6.83	$9.00
Paid	4.00	6.25	7.00
Cl. A & com. shs.:			
Earned	nil	nil	0.39
Paid	nil	nil	0.37

BORDEN'S LTD.

Subsidiary of Borden Co. is Manned by Canadian Staff

Borden's Ltd. is a holding company for a large number of Canadian dairy companies formed by the Borden Co. of New Jersey, U.S.A. It has an aggregate net tangible investment of about $19,000,000 in Canada, according to the latest report, with aggregate sales annually of about $28,000,000.

When the former Canadian dairy companies were taken over many Canadians exchanged their share ownership for shares in the Borden Co. and it is understood that these people now own about 7½ per cent of the shares of the parent company, which is the leading dairy firm on the North American continent.

Canadian Management

The policy of the company in Canada has been to put management and employment into the hands of Canadians. The main contribution of the parent plant has been in the pooling of experience acquired over its vast fields as to best methods of production, of marketing, of manufacture of special products and as to the utilization of the most modern machinery. The directorate, very largely Canadians, is in full charge of the Canadian plant and policies.

Capitalization of the parent company consists of $200,000,000 of common stock, par value $25, of which $109,917,600 stock is outstanding. The annual dividend rate is $1.60 which has been paid regularly. Gross sales for the parent company for the year ended December 31, 1933, amounted to $186,301,203 as compared with $212,348,871 in 1932. After depreciation, taxes, etc., the net income was $4,646,443 as against $7,524,489 in 1932. While there is no record of current earnings, it is believed that these would be substantially higher than for the previous year. During the past year various governments and other control bodies have been formed with the object of eliminating non-economic competition and of giving producers a larger amount for their milk. Prices have been increased in many centres because of this programme. A somewhat similar policy has more recently been adopted in Canada. The various schemes, because of the control feature involved, are still regarded as largely experimental and eventual results are still uncertain.

Capitalization—	Authorized	Issued
Common ...... (n.p.v.)	500,000 sh.	400,000 sh.

Principal Business Office—Montreal.

Officers and Directors—
Officers—J. W. McConnell, chm. of board; S. J. Moore, pres.; G. M. Waugh, jr., vice-pres.; E. L. Noetzel, treas.; W. H. Rebman, sec.; G. Bittner, H. K. Kramer, F. W. Schwartz, asst. treasurers; T. D. Waibel, asst. sec.
Directors—Hon. C. C. Ballantyne, Sir C. Gordon, J. W. McConnell, Hon. Donat Raymond, Montreal; G. C. Edwards, Ottawa; P. D. Fox, E. B. Lewis, A. W. Milburn, New York; S. J. Moore, Britton Osler, Toronto; H. H. Walker, Walkerville; Maj. Gen. S. C. Mewburn, Hamilton; W. Page, R. D. Ward, J. M. Waugh, Jr.

UNITED DAIRIES

Western Organization Faced With Decreased Purchasing Power Recently

United Dairies Ltd. controls 28 creameries and distributing centres in Alberta and British Columbia, with the head office at Calgary. The company has been able in most years to pay dividends on its first preferred stock regularly. No disbursements, however, have been made on the common stock except in 1930. On the second preferred stock payments stopped on Jan. 2, 1931.

The company has suffered from the lower purchasing power, consequent on the depression and on the keen competition in the sale of milk and milk products. However, operating expenses have been reduced considerably and factories have been merged where advantage could be attained by doing so. It is understood that the current year will show earnings and dividends at about the same rate as in 1933, when the net profit for the year ended June 30, 1933, was $26,217.

Capitalization—	Authorized	Issued
1st pref. 6½% .. Par $100.	$1,000,000	$752,200
2nd pref. 6% ... Par $100.	400,000	400,000
Common (np.v.)	50,000 shs.	50,000 shs.

Funded Debt—
None.

Dividend Record—
1st Preferred—Entitled to 6½ per cent p.a. cumulative, payable Jan. and July 2; paid regularly at 6½ per cent rate to July 1, 1932; 2 per cent Jan. 1, 1933; 1 per cent Jan. 2, 1934.
2nd Preferred—Entitled to 6 per cent cumulative, payable Jan. and July 2; none paid.
Common—None paid.

DAIRY CORP.

Reorganization Plan Finally Approved — Completion is Delayed

Dairy Corp. of Canada was incorporated in 1929 for the purpose of acquiring and holding shares of dairy companies. It holds or controls dairy plants in Winnipeg, Saskatoon, Edmonton, Regina, Toronto and Montreal. Reduced earnings during the depression in all sections of Canada eventually forced the company to defer bond interest on the $795,000 6 per cent gold debentures.

A plan for reorganization was drawn up and after several meetings of the security holders was finally accepted by all interests in July of this year. It was proposed to give 3 shares of the new class A common stock (non-voting) for each $100 of preferred stock; 1 new class A common share for each 5 shares of the old Class A common stock and one new Class A common share for each 25 shares of old class B common stock. While this had the effect of converting preferred shares into common shares, the preferred shareholders were compensated by receiving a substantial amount of the new shares as compared with the small interest retained by holders of the existing common shares.

Delay at Montreal

A delay in making the reorganization scheme effective has been due to the impossibility of completing the reorganization of the Montreal company. It is expected, however, that this matter will be cleared up in the near future and the way paved for operating under the new reorganization plan or for a sale of the control of the company to Silverwood's Dairy. It is believed that the latter company has an option on Dairy Corp.

Operating profits of subsidiaries of Dairy Corp. this year have been lower than for the same period in 1933 because prices received from the public have been lower, it is stated. Sales as measured by volume were greater, however, and the liquid position of the company is understood to have improved, because no interest was paid. Recently it is believed that business has generally improved and better earnings are expected.

Old Capitalization—	Author.	Outstanding
6% 15-yr. gold deb.	$2,500,000	
Ser. A, due 1945		$494,500
Ser. B, due 1945		$300,500
6% pref., par $100	$3,000,000	$1,545,800
Class A, n.p.v.	150,000 sh.	27,450 sh.
Class B, n.p.v.	50,000 sh.	36,300 sh.
New Capitalization—		
6% gold deb., due 1954	$1,200,000	$636,000
Class A, n.p.v. ..	75,000 sh.	53,316 sh.
Class B, n.p.v. ..	75,000 sh.	31,800 sh.

Dividend Record—
Classes A and B (new)—none paid to date. Preferred (old) entitled to 6 per cent cumulative, payable 1st Jan., Apr., July and Oct.; paid regularly Oct., 1929, to Oct. 1, 1931; none since. Common (old): none paid.

Subsidiaries—
City Dairy, Ltd.
Purity Dairy Products, Ltd.—Formerly the Davis Dairy, Ltd. Engaged in wholesale and retail milk business in Saskatoon, Sask. Dairy Corp. owns all common stock.
Edmonton City Dairy, Ltd.
Mount Royal Dairies, Ltd.
The Prairie Creameries, Ltd.—Regina, Sask. Owned outright.
The Purity Dairy, Ltd.—Regina, Sask. Controlled by Dairy Corp.
Purity Ice Cream Ltd. — Winnipeg, Man. Controlled by Dairy Corp.
Canada Dairies, Ltd.—Toronto. Incorporated to take over company of same name. Control bought by Dairy Corp. in 1931.

Funded Debt—6 per cent first and refunding mortgage S. F. bonds, due 1951, outstanding $144,000.

Interest in Other Companies—
United Dairies, Limited—As at Dec. 31, 1933, Dairy Corp. held 5,000 common shares.
Woodland Dairies, Limited—As at Dec. 31, 1933, Dairy Corp. held 27,000 shares.

Head Office—Toronto.

Officers and Directors—
Officers—J. A. Caulder, pres. & man. dir.; R. A. Daly, vice-pres.; W. G. Brown, sec.; H. W. Tasker, treas.
Directors—J. A. Caulder, R. A. Daly, A. H. C. Beairsto, W. P. Fess, J. A. McFeeters, J. P. Walwyn, R. N. Bryson, W. F. Wegenast, Toronto; G. E. Gibbard, Napanee, Ont.; W. W. Prevey, Edmonton; F. E. M. Robinson, Richmond, P.Q.

	1933	1932	1931
Times Deb. Int.			
Earned	nil	nil	3.60
Earnings per Share and Div. Record—			
Pref.: Earned..	nil	nil	$6.82
Paid	nil	nil	4.50
Class A: Earn.	nil	nil	†0.37

† After full year's dividend on preferred.

CITY DAIRY, LTD., of Winnipeg
(Controlled by Dairy Corporation)

Old Capitalization:*	Author.	Outstanding
8% pref., par $100	$250,000	$250,000
7% pref., par $100	200,000	200,000
Com., n.p.v. ...	25,000 shs.	18,743 shs.
New Capitalization:*		
Cl. A pref., n.p.	4,500 shs.	4,500 shs.
Cl. B com., n.p.	5,000 shs	3,000 shs.

* Excepting bonds which remain constant.

For each share of preferred, either class, holders received one new class A share; Dairy Corp. held all old common stock, 3,000 shares of which were cancelled and the balance exchanged for 3,000 class B shares.

Funded Debt—
6 per cent 1st mtge. S. F. bonds, series A, due 1948, outstanding $222,000; series B, due 1950, outstanding $186,500.

Dividend Record—
New class A and B—None paid to date.
Preferred (old): 8 per cent cumulative, 7 per cent non-cumulative, payable Jan., April, July and Oct. 1; both paid regularly from incorporation to April 1, 1932; none since. Common: initial dividend of $1 paid April 1, 1931; 50c. paid Nov. 1, 1931; none since.

Head Office—Winnipeg.

Officers and Directors—
Officers—J. A. Caulder, pres.; Douglas H. Ross, vice-pres.; R. J. L. Ball, gen. man.; Max McCrea, sec.-treas.
Directors—J. A. Caulder, Toronto; Douglas H. Ross, E. W. Kneeland, William E. Milner, Harry Strange, E. W. McLean, R. J. L. Ball, Winnipeg.

Times Bond Interest Earned—

	1933	1932	1931
Before deprec.	‡0.85	‡1.23	3.73
After deprec...	‡nil	‡0.30	2.81
Earns. per Share and Div. Record:			
8% pref.: Earn.	nil	nil	$17.64
Paid	nil	$2.00	*8.67
7% pref.: Earn.	nil	nil	11.22
Paid	nil	1.75	*7.58
Com.: Earned..	nil	nil	0.39
Paid	...	...	1.50

* 13 months' dividend owing to change in payment dates.
‡ After other interest, exchange, etc.

MOUNT ROYAL DAIRIES
(Controlled by Dairy Corporation)

Capitalization—	Authorized	Outstanding
Class A com. ..	100,000 shs.	31,520 shs.
Class B com. .. n.p.v.	100,000 shs.	100,000 shs.

As at Dec. 31, 1933, 21,520 class A and 91,634 class B shares owned by Dairy Corp.

Funded Debt—
6 per cent 1st mtge. S. F. bonds, due 1950, outstanding $970,000.
7 per cent gen. mtge. gold bonds, due 1945, outstanding $500,000; $332,000 of which are in the hands of the public, the remainder being owned by Dairy Corp.

Dividend Record—
Class A—Entitled to $1.75 per annum,

UNITED DAIRIES (Cont'd)

Head Office—Calgary.

Officers and Directors—
T. M. Carlyle, pres.; A. D. Campbell, E. Richardson, sec.; Dr. T. E. Hays, W. N. Henderson, E. T. Love, J. T. Burns, H. A. Howard, D. Morkeberg.

Earnings—
Net profit for year ended June 30, 1933, $26,217; 1st preferred dividends paid, $15,038; surplus for year, $11,179 (subject to provincial corporation taxes for 1932 and 1933); previous surplus, $11,002; Dominion income tax adjustment for 1931, $287; balance carried forward, $21,-914. Earnings per share: 1st preferred, $3.49; 2nd preferred and common, nil.

cumulative, payable Jan., Apr., July and Oct. 1; paid regularly from April 1, 1931, to April 1, 1932; none since.
Class B—Initial dividend of 50c. per share paid Dec. 1, 1931; none since.

Subsidiary—
Franklin Dairies Ltd.—Wholly owned.

Head Office—Montreal.

Officers and Directors—
Officers—C. H. Cattelli, pres.; J. A. Caulder, vice-pres.; D. L. Grabill, sec. & mgr.; F. W. Paynter, treas.
Directors—C. H. Cattelli, F. E. M. Robinson, D. L. Grabill, F. W. Paynter, E. E. Johnston, A. Teasdale, H. Tillison, Montreal; J. A. Caulder, R. A. Daly, Toronto.

Times Bond Interest Earned:

	1933	1932	1931
Before depr.*	1.12	1.43	2.75
After depr.*	0.43	0.80	2.12

* And other interest, etc.

Earnings per Share:

Cl. A:	Earned	nil	nil	$3.38
	Paid	nil	$0.43¾	1.75
Cl. B:	Earned	nil	nil	0.51
	Paid	nil	nil	0.50

EDMONTON CITY DAIRY
(Controlled by Dairy Corporation)

Capitalization—	Authorized	Outstanding
Pref. cum. .... Par $100.	$1,000,000	$779,100
Common .... No par value.	30,000 shs.	30,000 shs.

Over 29,000 common shares are owned by Dairy Corp.

Dividend Record—
Preference—6½ per cent per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend at rate of 6½ per cent per annum, paid Apr. 1, 1929, and regularly since.
Common—Initial dividend of $1 per share paid Jan. 2, 1930. None since.

Head Office—Edmonton.

Officers and Directors—
Officers—W. W. Prevey, pres.; J. A. Caulder, vice-pres.; C. Kehoe, sec.-treas.
Directors—W. W. Prevey, H. P. Madsen, W. A. Thomson, Edmonton; C. Burnell, North Edmonton; W. Ardern, Calgary; J. A. Caulder, Toronto.

Earnings per Share and Div. Record:

	1933	1932	1931
Pref.: Earned	$7.71	$8.07	$11.27
Paid	6.50	6.50	6.50
Com.: Earned	0.31	0.41	1.14

EASTERN DAIRIES

Income Available for Bond Interest Holds About the Same

Eastern Dairies Ltd., one of Canada's largest dairy organizations, is holding its own this year. Interim reports on income show that the amount of net income available for interest and other charges, is practically on a parity with that reported in 1933.

Earnings of the company in the last two years or more have been affected by the higher prices paid to producers in proportion to the sales values obtained. While there has been an increase in the volume of products sold, and the value of these sales, the higher cost of the raw material has limited earnings. On the other hand operating expenses have been reduced by the management, so that the net showing made has been relatively satisfactory in view of conditions prevailing.

Cover Senior Charges

During the year ended March 31, 1934, Eastern Dairies reported net income of $396,046. This was the lowest amount reported in some years and compares with $491,563 in the 1933 fiscal year. Income was sufficient, however, to take care of depreciation and bond interest, without the necessity of drawing on reserves.

As far as the current year is concerned, it is not expected that there will be any material improvement in income, though the net figure might be somewhat larger than was reported for the past year.

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	*200,000 shs.	†93,423 shs.
Pref. 7% cum. ($100 par).	$5,000,000	$2,500,000

* 41,300 reserved for conversion of series A bonds.
† In addition 6,577 shares are subscribed and allotted but unpaid.

Funded Debt—
6 per cent first collateral trust convertible series A bonds, due 1949, outstanding $2,950,000.

Dividend Record—
Preferred—Entitled to 7 per cent per annum, cumulative, payable quarterly, Jan., April, July and Oct. 15. Initial payment made July, 1926, and regularly to and including Jan. 15, 1933; none since.
Common—None at present. Initial dividend of 25c. paid Nov. 1930, and regularly quarterly at that rate to and including Aug. 1, 1932; since passed.

Subsidiaries—
All the companies acquired have been consolidated under these subsidiaries:
Elmhurst Dairy, Ltd.—Operates dairy plant, 2 distribution depots, 2 creameries in Montreal and district.
The Producers Dairy, Ltd.—Company and subsidiary, Hull Dairy, Ltd., operate dairy plant, distributing depot, 2 creameries and a cheese factory in Ottawa and district.
Crescent Creamery Co., Ltd.—Winnipeg.
Acme Farmers Dairy, Ltd.—Toronto and Hamilton.

Head Office—Montreal.

Officers and Directors—
Officers—W. R. Aird, pres. and man. dir.; P. A. Thomson, vice-pres.; E. W. King, sec.-treas.
Directors—W. R. Aird, A. J. Nesbitt, C. B. Price, P. A. Thomson, H. R. Trenholme, all of Montreal.

Times Bond Interest Earned—

Yr. end. Mar. 31:	1934	1933	1932
Before depr.*	2.15	2.41	4.02
After depr.*	1.06	1.31	3.02

* Times bond interest and premium paid and accrued on U. S. funds.

Earnings per Share and Div. Record:

Pref.: Earn.†	$0.04	$1.24	$9.33
Paid—			
Acme Farmers.	...	7.00	7.00
Cres. Cream'y	1.00	7.00	7.00
Eastern Dairies	...	5.25	7.00
Com.: Earned§	...	nil	■1.10
Paid	...	0.25	1.00

† Before income tax; calculated on combined preferred shares of company and subsidiaries then outstanding.
§ Before income tax.
■ Based on 89,099 outstanding shares.

Six Years Earnings—Yr. end. Mar. 31:

Year	Earnings $	Dividends $	Surplus $
1929	466,801	244,573	77,610
1930	724,987	279,682	153,442
1931	835,380	349,574	248,794
1932	801,689	383,099	257,682
1933	491,563	272,525	40,631
1934	396,046	*10,000	27,762

* Crescent Creamery Co. dividends.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Common ..	5	2	7	1½	16	5

* To Oct. 16.

CRESCENT CREAMERY
(Subsidiary of Eastern Dairies)

Capitalization—	Authorized	Outstanding
Preferred .... Par $100.	$1,450,000	$1,000,000
Common, n.p.v.	50,000 shs.	50,000 shs.

Common all owned by parent company.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable Jan., Apr., July and Oct. 15. Paid regularly to and including Apr. 15, 1933. None thereafter until $1 paid Apr. 16, 1934.

Head Office—Winnipeg.

ACME FARMERS DAIRY
(Controlled by Eastern Dairies)

Capitalization—	Authorized	Outstanding
Common*, n.p.v.	150,000 shs.	83,420 shs.
Preferred .... Par $100.	$750,000	$700,000

* All common stock is owned by Eastern Dairies, with the exception of directors' shares.

Funded Debt—
Consists of $700,000, 7 per cent debenture notes held as collateral for the parent company's funded debt.

Dividend Record—
Preferred—7 per cent per annum, payable Feb. and Aug. 10. Paid regularly to and including Feb. 10, 1933; since passed.

Head Office—Toronto.

TRAYMORE LTD.

Bankruptcy Due to Severe Competition — Working Capital Deficient

Traymore Ltd., owning a chain of six cafeterias and restaurants, four in Montreal and two in Toronto, is in bankruptcy. A. Lamarre, Montreal, has been appointed custodian.

The bankruptcy of the company is attributed to severe price competition in the restaurant business in the past few years. The company had net losses of $38,513 in 1932 and of $46,820 in 1933. As a result, there was a deficiency in working capital account of $32,913 in 1932 and $61,857 in 1933. In addition, the company has $141,800 of seven per cent bonds maturing May 1, 1935.

Dividends have not been paid on the $20 seven per cent preferred shares since July 15, 1931.

Capitalization—	Authorized	Outstanding
Pref. 7% cum. Par $20.	$1,500,000	$520,700
Common .... N.p.v.	300,000 shs.	96,064 shs.

Funded Debt—
7 per cent collat. trust, conv. S. F. bonds, series A, due 1935, outstanding $141,800; series B, outstanding $95,000.

Dividend Record—
Preference—Entitled to 7 per cent per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 15. Initial dividend paid July 1, 1927, and regularly thereafter to and including July 15, 1931; none since.
Common—None at present. Formerly 50 cents per share per annum, payable quarterly, Jan., April, July and Oct. 1. Initial payments made Oct. 1, 1928, and Dec. 31. None since.

Subsidiaries—
Savarin Ltd.—Wholly-owned subsidiary, formed in 1929, to consolidate company's Savarin branches at Toronto and Oshawa. Oshawa branch closed Jan., 1930. Capitalization, 30,000 no par common shares, and $200,000, 7 per cent 5-year debentures; all held by parent company.
Krausmann's Lorraine Café Ltd. — Operated as branch of parent company. Capital stock entirely owned.

Head Office—Toronto.

Officers and Directors—
Officers—E. A. Cousins, pres.; H. E. Manning, vice-pres.; H. J. Lynes, man. dir.; Edward J. Swift, sec.-treas.
Directors—E. A. Cousins, Montreal; H. E. Manning, H. J. Lynes, E. W. Brupbacher, E. O. Slingsby, Dr. R. G. Jackson, W. B. Puckett, Toronto, Ont.

Earnings per Share and Div. Record:

	1933	1932	1931
Pref.: Earned..	...	...	$1.48
Paid	...	...	1.05
Com.: Earned .	...	...	‡0.02

None paid.
‡ After full year's dividend on preferred.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	1	10	2⅜	⅝	¼	¼
Pref.	4½	1	5	½	2¼	2

* To October 16.

MUIRHEADS

Cafeterias Enjoy Increased Patronage in Current Year

Muirheads Cafeterias operates three restaurants in Toronto, and is understood to have enjoyed increased patronage in 1934. A new restaurant was opened at Yonge and Shuter Sts. early in 1934, replacing a former restaurant on Queen St. The three restaurants have a seating capacity of 700.

The company has suffered net losses in the last two fiscal years after deduction of $30,000 each year for depreciation. In the year ended Feb. 28, 1933, the loss was $12,914 and in 1934 it was $15,588. Consequently the profit and loss account showed a deficit of $15,123 at Feb. 28, 1934, and preferred dividends have not been paid since July 1, 1932. Arrears of dividends total $1.50 on each $10 preference share. The preference stock, however, has been reduced to a total $57,970, by conversion into common shares and by redemption.

The company's working capital has increased annually from $23,749 in 1930 to a total of $95,729 in 1934.

Capitalization—	Authorized	Outstanding
Pref. 7½% cum. (Par $10).	$500,000	$57,970
Common n.p.v.	100,000 shs.	78,170 shs.

Dividend Record—
Preference—Entitled to 7½ per cent, payable March, July and Nov. 1. Initial dividend of 25 cents paid July 1, 1926, and regularly thereafter to and including July 1, 1932; none since.
Common—None at present. Was 10 cents per share per annum. Initial dividend of 50 cents paid Nov. 1, 1927; 10 cents, March 1, 1928; 20 cents Nov. 1, 1928; 20 cents March 1, 1929; 10 cents July 1, 1929, Nov. 1, 1929 and March 1, 1930; July and Nov. 1930 payments passed; 10 cents paid March 1, 1931 and 1932; none since.

Head Office—Toronto.

Officers and Directors—
Officers—A. S. Tindale, pres. and gen. mgr.; H. M. Millar, sec.-treas.
Directors—Harold A. Greene, chairman; A. S. Tindale, E. G. McMillan, Stuart Playfair, H. M. Millar, Toronto.

Earnings per Share and Dividend Record:

Yr. End. Feb. 28:	1934	1933	1932
Pref.: Earned	nil	nil	*$2.23
Paid	nil	$.25	0.75
Com.: Earned† ...	nil	nil	*0.14
Paid	nil	nil	0.10

† After deducting amount required for redemption of preferred.
* Before adjustment of investments to market value.

Seven Years Earnings— Yr. End. Feb. 28:

Year	Earnings $	Dividends $	Surplus $
1928	19,003	47,457	39,164
1929	70,347	38,125	40,592
1930	50,330	29,674	12,179
1931	45,575	13,926	12,894
1932	47,591	13,667	8,446
1933	17,086	1,759	*6,067
1934	14,412	.....	*15,123

* Deficit.

Market Record—

	*1934 H	L	1933 H	L	1932 H	L
Com.	3	¾	4	¼	2	½
Pref.	6½	6	7	5	9	7

* To Oct. 16.

Saint John Harbor Tonnage Shows Gain

From Our Own Correspondent

MONTREAL.—Import and export cargo tonnage handled at the port of Saint John last month amounted to 69,654 tons, of which imports amounted to 44,498 and exports 25,-156 tons.

For the first nine months of the current year, 1,180,716 tons of cargo passed in and out of the harbor of Saint John; imports totalled 459,921 tons and exports 720,795 tons. For the corresponding period of 1933 cargo tonnage handled amounted to 934,263 tons, made up of 396,030 tons of imports and 538,233 tons of exports.

Saint John Elevators Loaded With Grain

From Our Own Correspondent

MONTREAL.—Storage facilities of Saint John's grain elevators are now practically filled to handling capacity with 1,700,000 bushels ready for overseas shipment on the opening of the winter season in December.

No further shipments will be received until the grain starts to move out of the port, though space for approximately 800,000 additional bushels still remains in the two elevators combined. This additional space is reserved for quick turnover purposes.

always reliable

Burns' Shamrock REGISTERED

PURE MEAT PRODUCTS

always delicious

KEEFER BUILDING WILL NOT BE SOLD FOR UNPAID TAXES

Property Removed from Sheriff's List After Publication

The Keefer Building, Montreal, recently listed in the Quebec Gazette as subject to sheriff's sale on Dec. 1, 1934, was removed from the list the day after its publication, The Financial Post is informed. The building will not be sold for tax arrears, it is understood.

Keefer Realty Corp., owner of the building, has paid from $2,000 to $3,000 in reduction of taxes every month for the past year, it is stated. The most recent payment of $3,500 at the end of September was more than sufficient to remove the property from the sheriff's list, The Post is informed. Unfortunately, by some oversight, the property was not removed from the list until the day after publication, it is explained.

Holders of the 6½ per cent, first mortgage bonds of the building, of which $723,000 are outstanding, were perturbed at the news that the building was listed for sale Dec. 1. Interest on the bonds has been in default since 1932, and coupons due up to 1936 have been exchanged for cumulative income coupons with the approval of bondholders.

A bondholders' protective committee has been supervising the building's finances, and has been devoting its attention to paying off tax arrears. The aim of the committee is to pay the taxes off as soon as possible so that interest payments to bondholders may eventually be resumed. Total arrears on the building have been reduced from $60,000 to about $34,000, it is understood.

Will Not Be Sold

It is pointed out that the building would not be sold for unpaid taxes on Dec. 1, even if it had been on the sheriff's list legitimately. Listing, it is stated, only implies that sale may take place. The list is said to be simply a compilation of taxes which are two years or more overdue. The proprietor may at any time up to Dec. 1 have the property removed from the list by making payment on arrears.

Feeding a Multitude *Economically*

The National Grocers Company system of thirty-one distributing warehouses strategically located throughout Ontario provides the Province with a highly efficient, cost-saving channel of food distribution.

Through this organization thousands of independent grocers are enabled to give their customers a better food service.

It gives to the independent grocer the economies and advantages of quick delivery from close at hand sources of supply and permits frequent stock replenishment economically — advantages which greatly enhance the value of the independent grocer to his local community.

NATIONAL GROCERS COMPANY, LIMITED

An Entirely Canadian Institution

Head Office: 21 Front Street East, Toronto

Board of Directors:
Archie Foster, President; John Medland, Vice-President; A. Marland Woolnough, Chairman; J. H. Simpson, T. H. Kinnear, Hon. George Gordon, A. J. Major, M. D. Lemon, W. G. McLauchlan, W. H. Kenny and D. Blain

Wheat

Rust in Argentine

WINNIPEG. — Development of the Argentine crop is being closely watched in Liverpool, and if the rust damage which has been reported should make much headway it might have important market effects. Actual damage to date is believed to be slight, principal significance being possibly of later damage if conditions should be favorable for its spread.

Canada showed up comparatively better in last week's export shipments, being well ahead of the Argentine. But the principal effect of reduced shipments from the Argentine was a large drop in weekly world shipments, likely to be made up this week by increased southern hemisphere shipments.

* * *

Expect Shipments to U.S.A.

RESUMPTION of United States buying and enquiries for oats has led to strong opinion that extensive shipments of feed grades over the border may be made in the near future.

* * *

Market Board for Wheat?

THE first suggestion of any attempt to organize the handling of grain under the Natural Products Marketing Act was made at the annual meeting of Manitoba Pool Elevators the other day, when delegates instructed their directorate to attempt to work out a scheme in co-operation with the pools of Alberta and Saskatchewan. But any early moves in that direction are considered doubtful, if for no other reason than that the size of the Canadian wheat carryover and the position of the Dominion Government in the wheat market are in the way of any new ideas.

With those out of the way it would not be difficult to work out the idea of compulsory pooling of all grains, provided the Dominion Government would finance it, which would be theoretically feasible, but any attempt to put such an organization into effect would arouse a great deal of bitterness in the west. The Alberta Pool organization has repeatedly declared itself in favor of the government taking over all wheat marketing, and it is likely to maintain that position rather than to display a willingness again to be tied up with pool organizations in the other provinces.

The poultry pool, having seized the centre of the stage in connection with the operation in Western Canada of the Natural Products Marketing Act, seems likely to maintain that position until its plan is either adopted or discarded.

HALIFAX PROPOSES MORE STORAGE SPACE

Grain Elevators Filled Before Winter Season Starts

From Our Own Correspondent

MONTREAL — Plans for the increase in grain storage facilities at the Port of Halifax have been forwarded to the Federal authorities at Ottawa by the Harbor Commission. At present the port has two elevators with a storage capacity of 2,000,000 bushels. This is considered inadequate, it being pointed out that the elevators have been filled for several weeks and a large amount of grain is now being left in railway cars awaiting transportation overseas during the winter months.

South Africa Takes Big Tire Shipment

Rubber exports in August were of the value of $1,072,000 compared with $865,000 a year ago. The chief item was 59,382 pneumatic tire casings valued at $442,344 going to no fewer than 71 countries. The largest consignment valued at $84,176 went to British South Africa.

The next largest item was 383,928 pairs of rubber boots and shoes valued at $348,388. The chief purchaser of these is Great Britain which took 289,065 pairs at $264,772.

For a strict accounting name — The Canada Trust Company as your executor and trustee

London, Toronto, Hamilton, Windsor, St. Thomas, Chatham, Winnipeg, Regina, Edmonton, Vancouver, Victoria.

IT STANDS THE TEST OF TIME

A high patent, Canadian Hard Wheat Flour, PURITY FLOUR, milled to meet the needs of Canadian housewives, yields the same high quality for all baking. There are no baking disappointments in the homes where PURITY is used.

PURITY FLOUR 98 Lbs. PURITY FLOUR

PURITY FLOUR

MILLED BY

WESTERN CANADA FLOUR MILLS COMPANY, LIMITED

HEAD OFFICE, TORONTO; BRANCHES FROM COAST TO COAST

Mills at: Goderich, Winnipeg, Brandon, Calgary and Victoria.

Other Leading Products: Purity Rolled Oats, Purity Salt, Hovis Flour, Pioneer Poultry Foods.

Grain and Milling in Canada

TRADERS IN FAVOR GOVT. SUPERVISOR TO WATCH DEALING

Fear Results if Chicago Restrictions Placed at Winnipeg

BENNETT SURPRISES

Public Acceptance of International Ring Theory by Bennett Unexpected — Think Board Unlikely

From Our Own Correspondent

WINNIPEG. — Appointment of a government supervising officer in the Grain Exchange whose duty it would be to receive reports on the extent and character of trading, making public periodical statements and reporting on special occasions to the government is considered a probable development out of the present discussion of the market situation.

Probably the majority of leading members of the trade would be in favor of such a development, not so much because it is thought any great influence would thereby be exercised, but in the hope that the constant availability of definite information might tend to allay the periodical attacks on grain trading which arise whenever prices fall.

Surprised at Bennett

There is some surprise that Prime Minister Bennett has publicly accepted the story that an international group had attempted to force down the price of wheat, but there is agreement that he has been well informed in the statement attributed to him that in Winnipeg such a drive had not been very hard nor had it gone far. On that account it is believed that results of the analysis of recent trading made by officers of the Grain Exchange, as a result of John I. McFarland's published complaint of too much wheat selling had been placed in his hands. While that report so far has been a closely guarded secret, and is presumably not to be made public without government concurrence, any competent observer of the course of events is sure of some of the things it would reveal.

One is that there was a very large liquidation of long lines of wheat just prior to Mr. McFarland's published statement, which was the main cause of his being forced to buy millions of bushels of wheat in addition to the quantities sold day by day by farmers if he wished to support wheat at former levels, as was done for a time. Corresponding liquidation has been reported both from Liverpool and Rotterdam, former holders of these contracts had evidently been moved to their original purchases by an overestimate of the European demand this year, and an underestimate of probable supplies, and retired from the market when they changed their mind as to the probability of higher prices.

In addition to such liquidation and sales of futures, evidently based on purchases of farmers' wheat, there would be some considerable volume of short sales the motives for which could not be traced. Some of it might be against stocks of Canadian wheat or flour in various position from elevators in the east afloat on steamships, while some might be against holding of futures contracts in other markets. The total volume was undoubtedly increased during a certain period, when price relationships made Winnipeg a better market in which to sell than Liverpool. It would be large enough to provide for the possibility of some speculative sales, but not large enough to look like an attempt to force the hand of the Canadian government in the market, and to manipulate prices downward.

If Mr. McFarland and Mr. Bennett should decide that they want any restrictions on trading enforced, there can be no doubt that the exchange will voluntarily comply, but such a desire, after full examination of the situation, is doubted. The large government position in the market has created such extraordinary conditions that the trade as a whole are anxious to lend any possible assistance. But restrictions, it is feared would increase, rather than diminish the government's difficulties, for purchasers of our wheat, at prices much higher than those for other wheats is likely to want to keep it hedged until disposed of.

While the Chicago market has some restrictions not now applicable in Winnipeg, it is pointed out that south of the line the restrictions in question are believed to be working badly, and to prevent the market from responding as it might otherwise be expected to do to the bullish factors in the wheat situation. The high standards for delivery of wheat on the Winnipeg contract are considered to be an effective safeguard against attempts at market raids.

In view of Mr. McFarland's recent announcement that he did not think it would be necessary for him to continue in his present position more than a year longer it is believed to indicate a government desire to contract, rather than expand its activities in the market.

Good Argentine Outlook Weakens Winnipeg Market

Better Reports from Australia Also Bearish — Private Estimate Reducing Canada's Crop Ignored — Low Grades May Help

From Our Own Correspondent

WINNIPEG.—The wheat market has been sagging lately under the influence of continued weakness at Liverpool, and while some supporting buying on the part of the government has been noted from time to time, there has been a progressive lowering of the point of support. Buying on account of exporters, and actual export shipments from Canada still continue at a disappointingly low level.

The principal factor of weakness continues to be the Argentine situation, as that country has evidently both the ability and the intention to continue large shipments of old crop wheat right up to the time that new crop wheat is available, and the crop appears to be making substantial progress. As yet there is no opinion that the out-turn is likely to reach the very high level of last year, and the crop is still subject to all the vicissitudes of the growing season, but so far at all events, nothing has occurred to impair the prospect of a very good yield.

Australia Improves

In addition, Australia is commencing to report somewhat improved crop prospects, although the total yield is still expected to be low. In these circumstances the market was inclined to ignore the private estimate of the western Canadian crop of only 240 million bushels against a previous estimate of 260,000,000 from the same source, and 26,000,000 from the Dominion Government, not yet revised.

There is some disposition to doubt whether any very close estimate of a crop such as was harvested this year is possible in advance of completion of actual deliveries, with results varying so widely in different districts from complete or almost complete failure to excellent yields. But it would seem that the bulk of high grade wheat must have been delivered by this time, and the great part of what is still to come, whether the quantity be 65,000,000 or 90,000,000 bushels, which is the range of different calculations, much of it will be low in grade, and some of it very low.

Low Grades May Help

That fact is expected to have some influence on export sales, the theory being that while our high grades are kept out of line with prices prevailing for Argentine and other wheat, the lower grades may force their way into export channels at competitive prices. They are likely to be freely offered, for while elevator companies are willing to carry the high grades so long as the futures price enables them to be satisfactorily hedged, there is a great deal of risk in carrying low grade wheat, as the protection of a hedging sale may prove to be illusory through the widening out of spreads between different grades.

There is some enquiry from the United States for low grade wheat for feeding purposes, although the 42 cents per bushel duty is a very heavy obstacle to the movement of feed grain, when much lower rates apply to the other grains. But there should be an increase in the use of wheat in Canada for feeding purposes. Pound for pound, such wheat is cheaper now than either oats or barley, and for some purposes, at least, it is just as good, if properly fed. For poultry especially, it would seem that it ought to displace the usual consumption of imported corn.

Hedging at Chicago

The Chicago market continues both to be influenced by and to influence other markets, in spite of the essentially different conditions governing prices in the United States and in other countries, and the fact that market levels there are far above an export basis.

The parallelism of movement is close enough to suggest the possibility of Chicago furnishing a reasonably satisfactory hedging market for outside countries, in spite of the price spread, and this is especially the case in so far as purchases are concerned, as the market there would seem to have at least a chance of a wider upward swing than Winnipeg. There is some opinion in Winnipeg that the paucity of futures purchases here from overseas may to some extent be due to that situation.

The rise in the price of silver, and the difficulties which have thereby been created in China appear to be having some effect in checking the Chinese demand for imported wheat, which up to lately showed signs of being substantial.

Rain Causes Weakness

Every rain in the dry districts of the United States appears to be accepted as ground for some market weakness, but although there has been considerable precipitation over most of the country afflicted by drought this year, the general moisture condition is still far from good.

Statistically the outlook is still for an improved situation in wheat, with nothing to show just how soon that improvement may come. British millers are still buying minimum quantities of Canadian wheat, and using more Argentine than Canadian wheat in their grist, and apparently they expect to be able to go on doing so. Much of the hope for increased exports from Canada lies in Italy having to import large quantities, but that country evidently intends to make home supplies last out as long as possible.

BENNETT EXPECTS CURB ON TRADING ON WINNIPEG MART

Flour Trade Protests — Wants Open Market for Hedging

SAYS PRICES TOO HIGH

From Our Own Correspondent

OTTAWA.—With John I. McFarland at Ottawa in consultation with Premier R. B. Bennett, the future wheat policy of the Dominion Government is now being decided.

Two phases of the policy the Government has been pursuing for the past four years were brought sharply to the fore on Monday and Tuesday.

After a preliminary talk with Mr. McFarland, Premier Bennett gave an audience to the press in which he clearly foreshadowed changes in the present policy. These changes almost certainly will involve the placing of restrictions on the Winnipeg Grain Exchange or, possibly, the creation of a Government Wheat Board to take over the handling of western spring wheat.

Destroying Markets

At the same time, the milling industry and private grain trade experts were asserting that the Government's policy of stabilizing Winnipeg wheat prices above world levels is injuring the millers and destroying foreign markets long held by Canadian wheat and flour.

The Bennett-McFarland conference arose directly out of the recent fall in wheat prices at Winnipeg which, according to Mr. McFarland, was engineered by speculators. Information from semi-official but reliable authorities at Ottawa goes to show that foreign grain men considered Winnipeg prices too high, in relation to world prices. They went into the Winnipeg market and sold short. Mr. McFarland was unable to buy all the futures offered and, therefore, the price slumped. The foreign speculators made a handsome profit.

Benefit Farmers

Mr. Bennett in his audience indicated that high prices at Winnipeg, brought about by the intervention of the Government are of direct benefit to prairie farmers, in that they yield to these farmers a better return for their crops.

The general trend of his remarks clearly indicated that the Government is determined to maintain this policy and that the present discussions are being directed entirely toward discovering a method which will prevent a recurrence of speculative raids in future. He pointed out that there might be several ways of achieving this purpose but the Government was seeking the one which would work least injury to the Winnipeg Grain Exchange and the private grain trade, whose services to the producers are deemed valuable.

Considers Wheat Board

Thus he pointed out that while Canada had not had a wheat board in the past four years, the McFarland set-up virtually amounted to the same thing. Might it be advisable to go the whole way and set up a wheat board? He intimated that this policy would be considered. The Government would have to decide if a wheat board would destroy the private grain trade and the Exchange and, if so, would the benefits outweigh the disadvantages.

Or the Government might place restrictions on the Winnipeg Exchange similar to those in force at Chicago. Such restrictions would curb speculation and might achieve the end in view without great injury to the trade.

Changes Inevitable

By and large, it would appear that important changes in the Government's wheat policy are inevitable. The only question to be decided is whether the ends sought by the ministry can be attained without inflicting mortal injury to the trade and the exchange.

But while Mr. Bennett indicated to the Ottawa correspondents that the present policy of stabilizing prices, of seeking to give to farmers a better price than world markets would bring, will not be abandoned, the milling industry is complaining of severe competition in the flour business from Great Britain. It appears that British millers actually are able to mill wheat and export the flour to Montreal at lower prices than the Canadian mills can meet.

The explanation is that Canadian millers must buy their raw material —wheat—in Canada at the going price. This price, due to Government policy, has been higher than world prices. The spread between Canadian and Argentine wheat at Liverpool, for example is about 20 cents per bushel in favor of Argentine. British millers buying their wheat for less money, are selling their flour today at Montreal and tomorrow they may invade Toronto and Ottawa. Australian flour is being sold at Vancouver.

Moreover, Canadian millers who have always been large exporters, find themselves outclassed, so far as price is concerned, by foreign competitors in foreign markets. With Canadian wheat prices out of line with world markets. Canadian millers are rapidly forfeiting their export trade.

Imports Away Up

As far as flour imports are concerned, a statement was issued last Monday by W. A. Black, president of the Ogilvie Flour Mills, Ltd. This statement referred only to imports of soft wheat flour, used for biscuits and pastry. But information at Ottawa is to the effect that bread flour is also being imported. Trade figures issued by the Bureau of Statistics show that in the nine months ended Sept. 30, 112,502 bbls. of flour (roughly equivalent to 500,000 bushels of wheat) were imported into Canada, against 34,139 bbls., in the corresponding period of 1933. Of the total, 59,471 bbls. was Australian flour (chiefly soft wheats) and 50,425 bbls. British flour.

The Government is aware of this flour situation and takes the view that nothing can be done with respect to the loss of foreign markets. So far as imports of flour into Canada are concerned it is believed that the cabinet is considering tariff increases. Unfortunately the Government cannot intervene at once and stop imports by dump duties. Under the amendments to the Customs Act enacted at the fall session in 1932, the power vested in the cabinet to impose dump duties on imports from Great Britain was revoked.

GABRIELLE HOPES FOR "BIG THINGS" FROM NO. 4 VEIN

Engineer Reports on Present Conditions at Pioneer Manitoba Property

Reporting to the office of Gabrielle Mines operating a property in the Rice Lake area of Manitoba, Geo. Salton, engineer in charge states that between Oct. 1 and Oct. 15, lateral work on two levels was continued, and two machine shifts were operated on the 320 ft. level and one machine shift on the 200 ft. level.

On the first level, No. 1 crosscut was advanced to 148 ft. from the shaft. It is being continued toward the vein intersected by No. 6 diamond drill hole. There is still 150 ft. to go.

The second level No. 1 crosscut was advanced to 181 ft. from the shaft, and still has a minimum of 40 ft. to go before cutting a possible extension of No. 2 vein.

Second level No. 2 crosscut was advanced to 48 ft. from the shaft after going through the vein system reported at the end of September. One farther round was taken out. The southeast wall was slashed for some distance back for a turn and a drift started south-east at 40 ft. from the station. This drift is now in 18 ft. following the foot wall side of the vein system.

In No. 2 crosscut, the vein system cut now called No. 4 vein showed a width of approximately 25 ft. with quartz making up about 50 per cent of the total rock. The normal width would be about 18 feet.

Mr. Salton states:

"The appearance of the vein structure and the material forming it continues to improve as the drifting advances. Southeasterly the vein structure is steepening in dip. In a southeast direction the vein has a possible length of several hundred feet before nearing the foot wall sediments.

"The upper few feet of No. 4 vein where cut in number two crosscut showed considerable fine visible gold. No further visible gold has been noticed but the appearance gives every evidence of an important vein.

"No. 4 vein is approximately parallel in strike to the twenty-six vein on San Antonio. Engineers familiar with that vein who have seen No. 4 vein on Gabrielle have remarked that the whole appearance and structure of the vein is strikingly similar to the 26 San Antonio vein."

Halcrow Swayze Grants Option on 300,000 Shares

Announcement was made this week that Halcrow-Swayze Mines has given an option to a Toronto financial house on 300,000 treasury shares at 10 cents per share. The option provides that 50,000 shares are to be taken up by Nov. 15, 1934; 50,000 shares by Dec. 15, 1934; 50,000 shares by Jan. 15, 1935 and 150,000 shares by Feb. 15, 1935. At present there are outstanding 2,000,005 shares out of 2,500,000 shares authorized.

In a report which was recently mailed to shareholders Horace F. Strong, president of the company, reviews operations since May 1 last. A further 276 ft. of lateral work was done on the 200-ft. level and also a further 1,500 ft. of diamond drilling. Following this the shaft was sunk to a depth of 371 ft. with another main level established at 354 ft., and a sub-level at 270 ft.

The 25-ton pilot mill which was installed this summer is, according to the report, being brought into steady production. It is expected, Mr. Strong states, that the returns from the mill will appreciably reduce capital expenditure and allow a thorough test of the lower levels with the finances now in hand.

Northern Quebec Power Adds Sigma Mine to List

From Our Own Correspondent

MONTREAL.—Sigma Gold Mines, controlled by Dome Mines, has signed a standard life-of-mine contract for hydro power with Northern Quebec Power Co., subsidiary of Canada Northern Power Co. It is expected that the mine will be connected to the company's system on November 20 and the initial load will be in the neighborhood of 500 h.p. The Sigma mine is located in Northern Quebec, about one mile north of Lamaque mine.

CANADA NORTHERN PROFITS CONTINUE TO REGISTER GAIN

Larger Expenses Cut Down Net Income During September

From Our Own Correspondent

MONTREAL.—Sharp increase in operating expenses tended to partially offset the substantial gain in gross revenues reported by Canada Northern Power Corp. for the past month. September income amounted to $357,716, or $48,355 more than in the same month last year. Operating expenses, on the other hand, increase by $37,241 to $127,236, leaving a net operating revenue of $230,480 compared with $219,366 in September, 1933.

For the first nine months of the current year Canada Northern Power reports a gross revenue of $3,051,273. After deducting operating expenses of $1,032,825, net income totalled $2,018,448. For the same period last year the company had a gross income of $2,700,326 and a net of $1,879,079. Thus for the current nine months there has been an improvement in net operating income of $139,369.

Power Output Greater

The management reports power output in the past month of 44,722,031 kw.h. This represents an increase of 5,055,781 kw.h. over the total for September, 1933, and brings the output for the first nine months of this year up to 389,767,794 kw.h. For the same period last year output aggregated 349,224,720 kw.h.

During last September 190 new customers were added to the company's system, bringing the total number served as at September 30 to 14,233. This is in contrast with 13,116 at the end of September last year.

BROKERS TO CUT RATE OF INTEREST ON STOCK DEBITS

Montreal and Toronto Rate to be 6½% Instead of 7%

The Montreal Stock Exchange has announced that from Nov. 1 the minimum rate of interest to be charged by members on clients' debit balances will be 6½ per cent, compared with the former 7 per cent rate. The reduction is being made in conjunction with the reduction of the bank rate on savings posits to two per cent and reduced call loan rates, announced in The Financial Post last week.

Toronto stockbrokers will also reduce the rate on clients' debits from seven to 6½ per cent, it is understood. These debit balances represent the unpaid portion of marginal purchases of stocks.

These downward adjustments of brokers' rates allow them the same spread of one per cent. Whereas brokers formerly borrowed wholesale from banks at six per cent and lent to clients, retail, at seven per cent, they will now borrow at 5½ and lend at 6½.

On prime securities, dealers will be able to borrow at less than 5½ per cent. And money may be obtained outside the banks at a lower rate. Then outside money, however, has the disadvantage of being unstable, which has been found serious in the past.

Alberta Pacific Grain Officers Are Re-elected

From Our Own Correspondent

MONTREAL.—H. E. Sellers, Winnipeg, was re-elected president and all officers and directors returned to office at the annual general meeting of the Alberta Pacific Grain Co. Officers and directors include: J. R. Murray, Calgary, vice-president and general manager; Cecil Lamont, Winnipeg, secretary; C. J. Bingley, Calgary, treasurer; directors, Lawrence Killam, Vancouver; H. W. Webster, Winnipeg; C. W. Band, Toronto and A. F. Culver, Montreal.

Dividends of Ajax Oil Paid Regularly Quarterly

In a recent article on corporation dividends it was stated in error that Ajax Oil & Gas Co. had omitted to pay dividends.

F. L. Culver, president, points out that the company has been paying regular quarterly dividends at the rate of eight cents per share.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Oct. 19	58,221,926	57,828,575	64,502,822
Country elevators, Oct. 12	94,203,810	88,205,093	100,538,204
Total, all points, Oct. 12	234,727,534	230,274,355	242,099,845
World Shipments, incl flour:			
North American, Oct. 20	4,326,000	3,176,000	6,300,000
Argentine, Oct. 20	3,100,000	4,280,000	1,400,000
Black Sea*, Oct. 13	376,000	....	1,832,000
Australian, Oct. 13	2,790,000	1,711,000	800,000
Total, world, Oct. 20	9,088,000	11,622,000	10,627,000
Visible Stocks:			
Canadian, Oct. 20	132,894,000	122,049,000	127,665,000
United States, Oct. 20	104,897,000	108,278,000	145,964,000
Argentine, Oct. 13	16,166,000	16,533,000	10,287,000
Australian, Oct. 13	27,488,000	30,000,000	10,160,000
Country Marketings and Exports:†			
Canadian exports, Oct. 12	2,308,714	4,199,112	3,433,414
Cum. to Oct. 12 (11 weeks)	33,195,244	30,886,531	36,849,215
Country marketings	8,457,256	5,306,972	14,828,566
Cum. to Oct.	94,203,574	85,746,318	93,806,482
Country deliveries, Oct. 17‡	12,882,000	13,608,000	13,107,000
Country loadings, Oct. 17‡	9,933,000	9,423,000	9,940,000

* Includes So. Russia. † Excluding flour. ‡ Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to October 23

Crop year from Aug. 1, 1934 High	Low		Open Oct. 17	High for week	Low for week	Close Oct. 23
		Wheat				
.95	.74⅞	October	.79⅛	.79¼	.75¾	.76⅝
.97	.75¾	December	.80⅛	.80⅛	.76¼	.77⅞
1.00½	.80¾	May	.84½	.84¼	.80⅝	.81¾
		Oats				
.48	.39⅝	October	.42⅝	.42⅝	.40¾	.41⅜
.47⅝	.38½	December	.41⅝	.41¾	.39⅞	.40⅝
.49⅝	.39¾	May	.42⅝	.42½	.40⅝	.41¼
		Barley				
.64⅝	.48½	October	.52⅛	.52⅞	.50½	.52½
.63¾	.49	December	.52⅜	.53½	.50⅝	.52¾
.65	.50¾	May	.55⅝	.55⅝	.52⅞	.54¾
		Flax				
1.73½	1.26	October	1.36	1.36½	1.26	1.31½
1.74⅜	1.19	December	1.39	1.39	1.29½	1.33¼
1.73½	1.28	May	1.43	1.44	1.35¼	1.38½
		Rye				
.76½	.51¼	October	.58⅞	.58⅞	.54⅝	.54⅝
.77	.51¼	December	.60	.61⅛	.55	.55⅝
.80⅛	.55½	May	.64	.64	.58¾	.59½

Robin Hood FLOUR
Milled from Washed Wheat
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MONTREAL EXCHANGE LISTING VALUES GAIN

New Quarterly Review Outlines Trading on Stock Markets

From Our Own Correspondent

MONTREAL.—Listings on the Montreal Stock Exchange and Montreal Curb Market advanced in value from $6,626,081,116 on July 31 to $6,697,132,219 on September 30, according to the first "Quarterly Review" issued by the two exchanges.

The Montreal Stock Exchange average for 30 stocks advanced nearly 2 points in the same period from 55.1 on July 31 to 57.0 on September 29, the last market day in the month.

The Review includes price ranges showing current dividend rates, transactions during the three months period together with the higs and lows for the year, tables of daily volume and the Exchange's averages, a tabular summary of company reports issued during the quarter, a yield table, etc.

Another feature of the initial issue of the Review is a summary of the silver trading rules on the new Canadian Commodity Exchange, showing commissions, price changes adn price spreads allowed.

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Timber Cruises and Valuations
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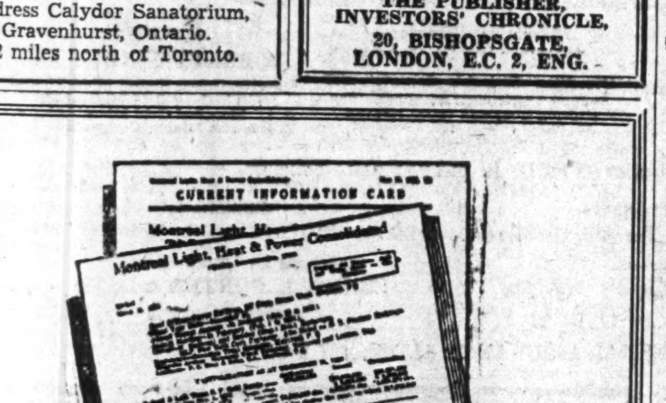

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING OCTOBER 22

Range 1934 High	Low	Divd. Rate Y'ld in $ in %	Oct. 20		Sales	Close Oct. 15 (or last)	Week Ending Oct. 22 High	Low	Close
[illegible]									

Dividends Declared

	Present Annual rate	Amt. this paym't	Date payable	Date of record
Acme Gas & Oil	...	2c	Nov. 15	Oct. 31
Bank of Montreal	$8	$2	Dec. 1	Oct. 31
Bank of Toronto	$10	$2.50	Dec. 1	Nov. 15
Blue Ribbon, pref.	$2	50c	Nov. 1	Oct. 25
Bonded Corp., tr. cert.	$1.20	10c	Nov. 1	Oct. 20
Do., extra	...	10c	Sept. 1	Aug. 28
Belding-Corticelli, com.	4%	1%	Nov. 1	Oct. 15
Beatty Bros., pref.	6%	1½%	Nov. 1	Oct. 15
Can. Dredge, pref.	7%	1¾%	Nov. 1	Oct. 19
Can. Industries, com. A	$4	$1	Oct. 31	Sept. 29
Do., com. B	$4	$1	Oct. 31	Sept. 29
Canadian Bronze	60c	15c	Nov. 1	Oct. 19
Do., pref.	$7	$1.75	Nov. 1	Oct. 19
Canada Iron, pref.	$3	$1.50	Nov. 15	Oct. 31
Calgary Power, pref.	6%	1½%	Nov. 1	Oct. 15
Can. Converters	$2	50c	Nov. 15	Oct. 31
Can. Inv. Fund, spec. & ord.	...	3½c	Nov. 1	Oct. 15
Coast Breweries	92c	23c	Nov. 1	Oct. 19
Chase, A. W., pref.	$2	50c	Nov. 10	Oct. 31
Can. Bank of Commerce	$8	$2	Dec. 1	Oct. 31
Can. Investors, com.	40c	10c	Nov. 1	Oct. 15
Dome Mines	$2	50c	Oct. 20	Sept. 29
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Guelph Carpet	...	75c	Nov. 1	Oct. 20
Do., pref.	$6.50	$1.62½	Nov. 1	Oct. 20
Howey Gold	...	4c	Dec. 1	Oct. 31
Humberstone Shoe	$2	50c	Nov. 1	Oct. 15
Hollinger Gold Mines	65c	5c	Nov. 5	Oct. 19
Do., extra	...	5c	Nov. 5	Oct. 19
International Nickel, pref.	7%	1¾%	Nov. 1	Oct. 2
Imperial Bank	$10	$2.50	Nov. 1	Sept. 29
Inter. Utilities, pref.	$3.50	87½c	Nov. 1	Oct. 23
Do., $3.50 pref.	1.75	43¾c	Nov. 1	Oct. 23
Kirkland Lake Gold	...	•3c	Dec. 1	Nov. 1
Langley's, pref.	$7	$1.75	Nov. 15	Oct. 16
Loblaw Groceterias, A & B	$1	25c	Dec. 1	Nov. 14
London Life Ins., 40% pd.	$8	$2	Sept. 30	Sept. 20
Macassa Mines	...	•5c	Nov. 1	Oct. 15
Montreal L. Heat & Pr. Cons.	$1.50	37c	Oct. 31	Sept. 30
McIntyre-Porcupine Mines	$2	50c	Dec. 1	Nov. 1
Maritime Tel. & Tel.	60c	15c	Oct. 1	Sept. 20
Do., pref.	70c	17½c	Oct. 1	Sept. 20
Mortgage Corp. of N. S.	$7	$1.75	Nov. 1	Oct. 24
Nova Scotia Trust	$7	$3.50	Oct. 15	Sept. 30
Paterson, Wm., pref.	$7	$1.75	Nov. 1	Oct. 20
Penmans	$3	75c	Nov. 15	Nov. 5
Do., pref.	$6	$1.50	Nov. 1	Oct. 22
Russell Motor, pref.	5%	1¼%	Nov. 1	Oct. 20
Quebec Power	$1	25c	Nov. 15	Oct. 25
Royal Bank	$8	$2	Dec. 1	Oct. 31
Royal Trust	$3.20	80c	Oct. 31	Oct. 31
Royalite Oil	...	75c	Nov. 23	Nov. 9
St. Lawrence Flour	$2	50c	Nov. 1	Oct. 20
Do., pref.	$7	$1.75	Nov. 1	Oct. 20
Southern Canada Power, com.	80c	20c	Nov. 15	Oct. 31
Simpsons, pref.	...	$1	Nov. 1	Oct. 20
Simpson, Robt., pref.	$6	$3	Nov. 1	Oct. 16
Steel of Canada	$1.75	43¾c	Nov. 1	Oct. 9
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 9
Secured Std. Royalties, pref.	4c	1c	Nov. 1	Oct. 25
Shawinigan Water & Power	50c	12c	Nov. 15	Oct. 25
Sherbrooke Trust	$6	$1.50	Nov. 1	Oct. 16
South Amer. Gold & Plat.	...	10c	Dec. 31	Dec. 21
Toronto Elevators, pref.	$7	$1.75	Oct. 15	Oct. 1
Teck-Hughes	40c	10c	Nov. 1	Oct. 10
United Bond & Share	60c	15c	Oct. 15	Sept. 29
Weston, Ltd., pref.	7%	1¾%	Nov. 1	Oct. 20

• Initial.

Dividends Resumed—
Guelph Carpet, com. 75c. Nov. 1. Last paid 75c. Nov. 1, 1933.

Dividend Rate Reduced—
Teck-Hughes Gold 60c. to 40c. per annum, Nov. 1.

Dividend Rate Increased—
Steel of Canada, com., from 30c. to 43¾c. quarterly, Nov. 1.
Canadian Industries, com. A and B, $3.50 to $4 per annum, Oct. 31.
St. Lawrence Flour, com. from $1.50 to $2 per annum, Nov. 1.
Russell Motor Car, pref. $4 to $5 per annum, Nov. 1.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)
October 23, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.85	3.05
Acadia Sugar pfd.	4.60	4.85
Allens London pfd. bonus com.	37.00	...
Allens St. Cath. pfd. bonus com.	37.50	....
Allens Toronto pfd. bonus com.	27.00	....
Andian National	37.50	40.00
Atlant. Sugar pfd.	91.25	93.00
B. C. P. & P. pfd.	12.00	15.00
Burns pfd. bon. c.	2.00	2.75
Can. Dom. Sugar	43.25	44.00
Can. Machy. com.	1.30	1.65
Can. Packers com.	39.25	40.50
Can. Packers pfd.	103.00	105.00
Can. Starch com.	12.00	....
Can. Starch pfd.	86.00	....
Canada Tea pfd.	45.00	55.00
Can. Wire & Cable pfd. WW	58.50	59.50
Can. Indust. A	174.00	176.00
Can. Indust. B	174.00	176.00
Can. Indust. pfd.	141.00	142.25
Can. Westinghouse	....	48.25
Chase pfd. bon. c.	24.00	26.00
Dom. F. & Steel c.	7.50	8.00
Dom. F. & Steel p.	66.00	70.00
Dom. Manuf pfd.	72.00	....
Dom. Woollens c.	1.25	2.00
Dunlop Tire pfd.	70.50	73.00
East. Dairies pfd.	5.00	7.50
Federal Grain c.	2.25	....
Federal Grain p.	23.50	26.00
For. Power Sec. p.	5.00	7.00
Freiman pfd.	55.50	60.00
Gen. Stl. Wares p.	28.25	30.00
Goderich Elevator	5.50	6.25
Greening Wire pf.	71.00	75.00
Guardian Realty p.	10.50	....
Guelph Carpet p.	89.00	91.00
Guelph Carpet c.	11.50	13.00
Harding Carpets Units	29.75	32.00
Hayes Wheels pfd.	....	8.50
Highland Dairy c.	3.25	4.00
Highland Dairy p.	68.00	70.00
Inter City Bak. c.	17.00	18.50
Int. Met. Indust. p.	30.00	35.00
Inter. Paints pfd.	12.00	14.00
Loew's London p.	3.85	4.15
Maclaren Pwr. c.	17.00	....
Mans. Theat. pfd.	26.00	28.00
Massey-Harris pfd.	17.00	17.75
Mt. Royal Hotel p.	1.65	2.00
Nat. Grocers com.	4.25	4.75
Nat. Grocers pfd.	113.00	117.00
New Method Laund. pfd.	48.00	....
Niag. W. Weav. pf.	36.50	....
Para. Kitchener p.	38.50	....
Para. Oshawa pfd.	47.00	....
Perfection Pet. pf.	14.50	17.00
Prov. Paper pfd.	86.00	....
Reliance Grain pf.	60.00	....
Rob. Cons. Cone	7.25	8.25
Rolland Paper c.	9.00	10.00
Rolland Paper pfd. WW	75.50	77.00
Ruddy pfd.	10.00	....
Standard Fuel pfd. bonus	96.50	....
Supersilk H. pfd.	50.00	56.00
Supertest Pet. B p.	24.00	25.50
Thayers com.	5.50	6.00
Thayers pfd.	36.50	38.00
West. Grain p. bon.	6.50	8.00
Wood, A. & J. pfd.	24.00	....

Insurance Stocks:	Bid	Asked
British America	33.00	....
Canada Life	435.00	450.00
Canadian Fire	57.00	60.00
Confed. Life 20% pd.	122.00	125.00
Cont. Life 20% pd.	35.50	39.00
Crown Life	101.00%	....
Dominion Fire	97.00	....
Dom. Life 50% pd.	185.00	....
Dom. Can. Gen.	100.00	104.00
Emp. Life 25% pd.	8.50	10.25
Excel. Life 30% pd.	76.00	80.00
Fed. Fire 25% pd.	39.00	....
Great West Life	380.00	400.00
Guar. of N. A. fully pd.	220.00	....
Guar. of N. A. 20% pd.	43.00	....
Imperial Life	292.00	....
Manufac. Life	238.00	243.00
Mon. Life 10% pd.	18.50	21.50
Nat. Life 25% pd.	53.00	....
Sov. Life 25% pd.	11.00	14.00
Sun Life	330.00	340.00
West. Assur. com.	30.50	35.00
West. Assur. pfd.	35.00	....
West. Empire Life	10.00	15.00
West. Life 20% pd.	9.00	12.00
Trust & Loan Stocks:		
Chartered Trust	67.50	70.00
Lond. & West. Tr.	....	38.00
Premier Trust	87.00	90.00
Sec. Loan & Sav.	99.00	....
Sterling Trust	....	45.00
Traders Fin. B. pf.	47.50	51.00
Trusts & Guar.	34.00	37.00
Victoria Trust	120.00	125.00
Waterloo Trust	79.00	83.00
Investment Trust Shares:		
Can. Gen. Invest.	5.60	....
Can. Investors	3.50	5.50
Can. Int. Inv. Tr. Units	19.50	....
Can. Invest. Fund	3.20	3.40
Cons. Div. Standard Sec. Units	11.25	12.00
Debent. & Sec. p.	21.00	....
Dom. & Anglo Inv. Units	170.00	....
Dom. Scottish Inv. Units	21.75	23.00
Inv. Found. Units	37.75	....
Sec. Holding Units	10.00	12.00
United Corpns. A	10.75	11.50
United Corpns. B	3.00	3.50
Power Issues:		
Calgary Power pf.	88.00	89.00
Can. L. & P. com.	20.00	21.00
Can. W. Nat Gas L.H.&P. pfd.	91.50	92.25
Great Lakes P. pf.	40.00	....
Marit. T. & Tl. pf.	12.75	13.50
N. B. Tele. com.	9.75	10.75
N. S. L. & P. com.	40.50	43.00
N. S. L. & P. pfd.	87.50	90.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	3s
Canada Company	7s. 6½d.
Can. & For. Secs.	4s. 6d
Can. Collier, $1 com.	3d
Do., pref. $10	3d
Can. N. W. Land	£1
Can. West. Lumber	1s. 9d.
Hudson's Bay	25s. 6d.
Do., pref.	108s. 9d
Imp. Tob. (Can.) 6% pfd.	27s. 6d
Trust & Loan (15s. pd.)	3d

Winnipeg Stock Exchange

(Transactions from Oct. 15 to Oct. 20)

Div. rate in $	yield in %		Sales	High for period	Low for period	Close Oct. 20
..	..	Bathurst Mines	2,000	.06	.06	.06
..	..	Crescent Creamery, pf.	5	20.00	20.00	20.00
..	..	Gold Lake	1,400	.45	.40	.45
..	..	Gabrielle	800	.79	.70	.70
..	..	Island Lake	1,300	.06½	.06½	.06½
..	..	Long Lac Adair	500	.12	.11	.11
..	..	Normandy	15	6.50	6.50	6.50
..	..	Kingfisher	6,500	.29	.24	.24
..	..	Ore Grande	1,500	.09	.08	.09
..	..	Oxford Lake	100	3.00	3.00	3.00
..	..	Rice Lake, shs.	600	.16½	.16	.16
..	..	Rice Lake Units	20	9.50	9.50	9.50
..	..	Smelters Gold	1,000	.32½	.32½	.32½
..	..	Vanson Manitoba	950	.33	.30	.33
..	..	Wingold	2,600	.37	.32	.33
1	..	United Grain	5	10.75	10.50	10.50

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, c.	3	3½
Beaver Lumber, p.		63
Canadian Fire	55.00	..
Great West Life	370.00	..
Home Investment	20	..
North Mtg. part pd.	..	5
Northern Trust	..	15
Pelissiers, com.	.25	..
Pelissiers, pref.	..	23
Sov. Life, 25% pd.	..	14
Traders' Bldg.	60	..
Can. Amer. Tr. sh.	2.45	2.70
Can. Inv. Fund	..	3.40
Fundament. Ser. A	3.85	4.40
Fundament. Ser. B	3.60	..
Grouped Inc. shs.	..	3.95

* Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending October 22, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Low
Mtl. L.H. & P. debs.	3	1939	3.73	47	47	..	47½	43
McNish	6	1948	...	..	3.00	2.75	4.25	2.75
Mtl. Trams. 1st mtge.	5	1941	5.25	..	98½	..	101½	97½

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)
October 23, 1934

Public Utility Issues:	Int. Rate	Due	Bid Oct. 23	Asked	Bid Oct. 16
Beauharnois L. H. & Power	5½%	1973	100	101	100
Beauharnois Power Corp.	6%	1959	68½	..	68½
Beauharnois Power Corp.	5%	1973	57	59	55
Bell Telephone	5%	1955	108½	110	107½
Bell Telephone	5%	1957	108½	110	108½
B. C. Power	5%	1960	98½	100	98
B. C. Power	5½%	1960	103	104½	102½
B. C. Telephone	5%	1960	102	103½	102
Calgary Power	5%	1960	96	98	96
Calgary Power	5%	1964	94½	96½	95
Canada Northern Power	5%	1953	95½	97½	96
Cedars Rapids Mfg. & Power	5%	1953	109½	111	109½
Dominion Gas & Electric	6½%	1945	61½	63½	60½
Duke-Price Power	6%	1966	91	93	89½
Gatineau Power	5%	1956	93½	95½	93½
Gatineau Power	6%A	1941	91	92½	90½
Gatineau Power	6%B	1941	89	91	88½
International Hydro-Electric	6%	1944	47	49	48½
Jamaica Public Service	5%	1950	99	100½	99
Maclaren-Quebec Power	5½%	1961	100	101	100½
Manitoba Power	5½%	1951	54	56	56
Montreal Island Power	5½%	1957	102	103½	102
Montreal L. H. & Power	5%	1951	106½	108	106½
Montreal L. H. & Power	5%	1970	107	108	107
Montreal Public Service	5%	1942	104½	106	104
Montreal Tramways	5%	1955	75½	77½	73½
Montreal Tramways	4½%	1955	68	70	67
Montreal Tramways	5%	1941	98½	100	98½
National Light & Power	6%	1949	82	85	82
N. B. Power	5%	1937	69	72	69
Northwestern Utilities	7%	1938	100	102	99½
N. S. Light & Power	5%	1958	97½	100	97½
Ottawa Light, Heat & Power	5%	1957	103½	105	102½
Ottawa Valley Power	5½%	1970	105	106	104½
Power Corp.	4½%	1959	83	86	79
Provincial Light & Power	5%	1946	104½	..	104
Quebec Power	5%	1968	101½	103	101½
Rio de Janeiro T. L. & Power	5%	1935	99½	101½	99½
Shawinigan Water & Power	6%	1937	101½	103	101½
Shawinigan Water & Power	4½%	1970	93½	95	93
Shawinigan Water & Power	5%	1970	101	102½	100
Southern Canada Power	5%	1955	102	103½	102
United Securities	5½%	1952	72	74½	74
West Kootenay Power	5%	1956	105	106	105
Western Power Co.	5%	1949	104	105	103½
Winnipeg Electric	5%	1935	94½	96	93
Winnipeg Electric	6%	1954	55	57	54½
Industrial and Realty Issues:					
Abitibi Power & Paper	5%	1953	30	32	27½
Abitibi Pwr. & Paper C.O.D.'s	5%	1953	26½	28½	24
Acadia Sugar	6%	1946	102½	..	102½
Alberta Pacific Grain	6%	1946	80½	83	78
Algoma Steel	5%	1962	15	17	15
American Sales Book	6%	1939	102	..	102
Asbestos Corp.	5%	1942	99	..	99
Atlantic Sugar	5%	1941	95	..	95
Balfour Building	6%	1934	38	..	38
Belding-Corticelli	5%	1936	103½	..	103½
Bloor-St. George Realty	7%	1946	46½	..	46½
Booth Buildings	6½%	1937	98½	..	98½
Brandram-Henderson	6%	1936	92½	..	92½
British American Oil	5%	1945	104½	..	104½
British Columbia Pulp & Paper	6%	1950	66	68	66
Burns & Co.	5½%	1948	31½	33½	31½
Canada Biscuit	6½%	1946	17½	19½	17½
Canada Bread	6%	1941	98½	100½	98½
Canada Cement	5%	1947	96½	98	94½
Canada Paper	6%	1945	90	..	90
Canada Steamship	5%	1943	32	..	32
Canada Steamship	6%	1941	25	27	25½
Canadian Canners	6%	1950	104½	..	104
Canadian Consolidated Felt	6%	1940	96	..	96
Canadian Copper Refiners	6%	1945	105½	107½	106
Canadian Cottons	5%	1940	101½	..	101
Canadian Goodrich	7%	1943	47	..	47
Canadian International Paper	6%	1949	66	..	64½
C. P. R.	6%	1942	107½	108½	108½
C. P. R.	4½%	1944	94	95	91½
C. P. R.	5%	1954	98	99½	97
C. P. R.	4%	1949	92½	93½	91½
Canadian Rail & H. Terminals	6½%	1951	25	27	20½
Canadian Vickers	6%	1947	59½	61½	58
Consolidated Investment	4½%	1959	75	..	73
Consolidated Paper	5½%	1961	16	18	13½
Cosmos Imperial Mills	6½%	1944	102	..	102
Debenture & Security	4%	1936	73½	..	73½
Dominion Canners	5%	1940	107	..	107
Dominion Square Corp.	5%	1948	49½	52	50
Dominion Tar	6%	1949	87½	90	86½
Dominion Textile	6%	1949	108½	110	108½
Dominion Woollens & Worsteds (with stock)	6%	1948	31½	..	..
Eastern Dairies	6%	1949	69	72	68
Eaton T. Realty	5%	1949	100	102	100
Famous Players	6%	1948	95	97	93
Famous Players	6½%	1948	80	82	77
Federal Grain	6%	1949	[illegible]	83½	84½
Firestone Tire	7%	1937	100	..	100
Fraser Companies	6%	1950	37	40	36
Galt Brass	7½%	1941	37	..	37
General Brock Hotel	6%	1948	31½	..	31½
General Steel Wares	6%	1952	84	86	84
Godfrey Realty	6%	1942	42	..	42
Great Lakes Paper	6%	1950	[illegible]	30	26½
Gypsum, Lime & Alabastine	5½%	1948	79	81½	79
Hamilton Cottons	5½%	1948	92	..	91½
Hamilton By-Products Coke	7%	1943	99	102	100
Hinde & Dauch	5½%	1948	92	..	91½
International P. & P. Nfld.	5%	1968	93	95	92½
Inter City Baking	5½%	1948	86	..	85
Lake St. John Power & Paper	6½%	1942	17	20	..
London & Can. Invest.	4½%	1948	74½	77	76
London Realty	6%	1950	81	83	80½
Maple Leaf Milling	5½%	1949	42	44	42
Massey-Harris	5%	1947	70	72	70
McColl Frontenac	6%	1949	103½	105	103½
McKinnon Industries	6½%	1945	103½	..	103½
Mercury Mills	5½%	1953	..	62	..
Metropolitan Building	7%	1944	100	..	100
Minnesota & Ontario Paper	6%	1945	15	17	13
Montreal Coke	5½%	1947	102	103½	101½
Montreal Cottons	5%	1943	96	..	95½
Montreal Dry Docks	6%	1948	48	..	46
Northern Electric	5%	1939	104	..	104
Northern Ontario Building	6½%	1939	97	..	97
Ontario Building	6½%	1943	37	..	37
Penmans	5½%	1951	106½	..	106½
Price Bros. (Co'D.)	6%	1943	82½	84½	..
Provincial Paper	5½%	1947	98½	..	98
Queen's Hotel	6%	1947	72	74	72
Reliance Grain	6%	1948	87	..	86½
Restigouche Co.	5½%	1948	75	..	72½
Richmond Bay Building	6½%	1947	88½	..	88½
Riordon Pulp & Paper	6%	1942	103	..	103
Ritchie Cut Stone	6½%	1948	74	..	74
Rolland Paper	5½%	1948	98½	100½	98½
Ruddy Co., E. L.	6½%	1948	69	72	70
St. Lawrence Flour	6%	1941	102	..	102
Shawinigan Cotton	6%	1949	91	..	91
Simpsons Ltd.	6%	1949	100	102	98½
Smith, Howard	5½%	1953	96	98	95½
Steel Co. of Canada	6%	1940	108½	109½	108½
Stop & Shop	6%	1947	88½	..	89
Toronto Carpet	6%	1944	99½	..	99½
United Amusement	6%	1942	89½	92	89½
United Corpns.	5%	1953	75	77	75
United Gas & Fuel	5½%	1948	89½	92	89½
United Grain Growers	5%	1948	85½	..	84
Wabasso Cotton	6%	1947	99½	..	99
Wabasso Cotton	7%	1942	100	..	100
Woods Mfg.	6%	1943	86	..	86

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
October 24, 1934

Dominion of Canada Bonds

	Rate	Due	Bid	Asked	Appro. Yield
*†Dominion	5	1 Mar., 1937	107.10	107.40	1.74
†Dominion	5½	1 Dec., 1937	109.10	109.40	2.32
Dominion	5½	1 Nov., 1934	100.00		
Dominion	3½	15 Oct., 1935	100.75	101.25	2.15
Dominion	4	15 Oct., 1935	101.50	102.00	2.00
Dominion	5	15 Nov., 1936	104.75	105.10	2.47
Dominion	4	15 Oct., 1939	104.35	104.90	2.94
Dominion	4½	1 Sept., 1940	107.15	107.50	3.08
Dominion	5	15 Nov., 1941	109.50	109.85	3.42
Dominion	5	15 Oct., 1943	110.50	110.85	3.52
Dominion	4½	15 Oct., 1944	107.00	107.35	3.62
§Dominion	4	15 Oct., 1943-45	103.10	103.50	3.54
Dominion	4½	1 Feb., 1946	106.75	107.25	3.72
§Dominion	4	15 Oct., 1947-52	102.50	102.85	3.73
§Dominion	4½	1 Nov., 1946-56	106.50	106.85	3.78
§Dominion	4½	1 Nov., 1947-57	106.50	106.85	3.83
§Dominion	4½	1 Nov., 1948-58	106.75	107.00	3.85
§Dominion	4½	1 Nov., 1949-59 (with talons)	106.75	107.00	3.89
Dominion Guaranteed Bonds					
xCan. Nat. Ry.	4½	1 Sept., 1951	108.75	109.25	3.76
*Can. Nat. Ry.	4½	1 July, 1957	107.75	108.25	3.96
Can. Nat. Ry.	5	1 Feb., 1954	113.00	113.50	4.00
xCan. Nat. Ry.	4¾	15 June, 1955	111.87	112.37	3.88
xCan. Nat. Ry.	4½	1 Feb., 1956	109.12	109.62	3.84
xCan. Nat. Ry.	4½	1 Dec., 1968	104.75	105.50	4.19
§xCan. Nat. Ry.	5	1 Oct., 1969	114.00	114.50	3.96
§xMontreal Harbor Cm.	5	1 Nov., 1939	114.50	115.25	3.94
Provincial Government Bonds					
*Alberta	4½	1 Oct., 1956	94.00	96.00	4.80
Alberta	6	1 Mar., 1947	104.00	106.00	5.33
*British Col.	4½	1 Oct., 1953	93.00	95.00	4.91
British Col.	5½	1 Feb., 1945	98.50	100.50	5.44
British Col.	6	15 Feb., 1947	101.00	102.00	5.66
xManitoba	5	2 Dec., 1959	101.50	103.50	4.76
Manitoba	5½	1 Oct., 1955	102.00	104.00	5.18
Manitoba	6	1 Apr., 1947	104.00	106.00	5.33
*N. B.	4¾	15 Apr., 1960	105.50	106.50	4.34
N. B.	5	2 July, 1963	111.50	112.50	4.24
N. B.	5½	15 May, 1950	111.75	112.75	4.38
N. Scotia	4½	15 May, 1943	103.75	104.75	3.84
*N. Scotia	5	1 Mar., 1960	111.50	112.50	4.19
xOntario	4	1 June, 1962	102.25	103.00	3.82
xOntario	4½	1 Sept., 1944	107.00	108.00	3.53
Ontario	4½	1 June, 1950	106.25	107.00	3.97
xOntario	5	2 Dec., 1960	115.75	116.75	3.97
Ontario	5½	1 July, 1946	114.00	114.75	3.94
§Ont. H. C.	3½-4-5	1 Oct., 1952	97.75	98.75	3.98
xOnt. H. C.	4	1 Aug., 1957	101.50	102.50	3.84
Ont. H. C.	4¾	1 Jan., 1970	109.75	110.75	4.14
Quebec	4½	1 Aug., 1958	104.75	105.75	3.88
Sask.	5	1 Aug., 1958	93.50	95.50	5.53
*Sask.	5	1 Nov., 1959	93.50	95.50	5.32
Sask.	5½	1 Oct., 1952	98.50	100.50	5.45
Sask.	6	15 Mar., 1962	101.50	103.50	5.68
Municipal Bonds					
*Calgary	5½	2 June, 1944	87	92	6.40
*Edmonton	5½	1 Nov., 1945	90	94	[illegible]
*Halifax	5	1 July, 1961	109	110½	4.34
Hamilton	5	1 May, 1950	108½	110	4.12
Montreal	5	1 Mar., 1945	100	101½	4.83
Ottawa	4½	1 July, 1945	104¼	105¾	3.87
*Quebec	5	1 June, 1959	101	102½	4.78
Regina	5	1 July, 1944	75	85	7.13
St. John	5	15 Dec., 1950	105½	108	[illegible]
*Toronto	4½	1 Jan., 1955	106½	108½	[illegible]
Victoria	5	21 July, 1945	90	95	[illegible]
Winnipeg	5	1 Mar., 1944	97	99	[illegible]

† Tax exempt issues. * Payable in Canada and New York.
§ Yield at call price.
x Payable in Canada, New York and London.

N.C. URQUHART & CO.
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News of Canadian Mining Investments

The Week in Mining

Stocks in Doldrums

CANADIAN mining stocks continue to drift in the doldrums with the bears at the helm. The steady downward trend which has been predominating on the mining section of the Toronto Stock Exchange for some weeks still continues, and during the past week losses have been the rule, gains being few and far between. Speculators continue to mirror their feeling of hesitancy regarding the present outlook by trading in light volume.

Market observers view the present situation with somewhat mixed feelings. The general feeling in market circles is that the Washington administration has come around to a sound money viewpoint and that there is little immediate possibility of further inflationary measures. Recent information from London, on the other hand, indicates that England may push the price of gold higher. It is held in some quarters that the Exchange Equalization Fund is being used to push the pound sterling to a lower level in order to improve Great Britain's export position.

Recent price action of gold on the London market, however, does not substantiate this contention, a decline rather than an advance being registered. As result of this senior golds stock prices have sagged to lower levels.

The soft tone of the market has been general, with the base metals and the junior golds the heaviest losers. The weakness of the copper market has been the major factor in depressing the former. Among the intermediate golds, Howey has been the bright spot. It has shown a buoyant tendency as a result of the declaration of a four-cent dividend payable Dec. 1.

The investigation of Teck-Hughes helped to unsettle the market and selling of this stock as result of disclosures made at the probe conducted by John M. Godfrey, K.C., Ontario Securities Commissioner, carried this stock to a low of $3.73 for the year. This is the lowest point reached by Teck-Hughes stock since March, 1933.

With the decline in the price of silver from the high point of last week silver issues have sagged in price. Interest in the silvers continues at low ebb. Trading in such stocks as Eldorado, Castle Trethewey, Nipissing and White Eagle has been sluggish.

Index To Mining Stocks

THE weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 137.9 for the week ending October 18, as compared with 137.0 for the previous week.

Nineteen gold stocks rose from 136.2 to 137.0, and four base metal stocks from 145.7 to 146.8.

GOD'S LAKE GOLD STRIKES ORE BODY ON 100-FT. LEVEL

Ore Shoot on Second Level Increased By 36.7 Feet

H. R. Drummond-Hay, vice-president of Gods Lake Gold Mines, informed The Financial Post that a new ore shoot has been opened up on the first level which has been developed to a length of 39.9 ft., 4.6 ft. in width, averaging .24 oz. in value. The ore shoot on the second level was increased by 36.7 ft. in length with a width of 4.5 ft. and an average value of .49 oz.

It is stated that E. L. Brown, mine manager, is now in the eastern part of Canada looking at equipment required for next year. Mr. Drummond-Hay states: "Dr. Thomas Hogg and W. C. Chace recently returned from the property where they finally reviewed the plans for the development of hydro-electric power on the Island Lake River where 1,800 h.p. is being developed immediately."

DRILL MEETS VEIN AT SMELTER GOLD DEEPEST IN AREA

Core Samples Please Officials of Manitoba Property

In a report to shareholders over the signature of Hugh C. McRae, president, Smelter Gold Mines reports that the deep diamond drill hole, drilled from the north side of the No. 1 vein for the purpose of exploring the No. 1 vein system below the fault which occurs at 239 ft. in depth, reached its objective at 890 ft. and passed out of the vein at 912 ft. It is reported that the core drawn from the vein "carries splendid mineralization."

This successful effort to find the vein below the fault represents the deepest work so far conducted in the Gods Lake gold area. Mr. McRae also reports that the extension of the Akers vein has been uncovered at a point of 2,500 ft. east of the previous exposure of this vein on the Smelter property. Mr. McRae states: "The diamond drill purchased by Smelter Gold Mines is being rushed to the property and will go into operation on the Akers vein as soon as it arrives. The recent discovery of the Akers vein at the point mentioned is particularly important in that it now gives us a definite vein length of 2,500 ft. on this vein to explore. The two ore bodies so far developed in the vein on the adjoining Gods Lake Gold Mines are approximately 500 ft. in length. Consequently, there is substantial room for the development of similar ore bodies in the known length of 2,500 ft. on Smelter Gold."

On the recently discovered vein on the company's Galena group, stripping has been done for a length of 200 ft., over which length the vein ranges in width from four to seven ft. Mr. McRae states that this vein is "heavily" mineralized.

Striking Recovery Shown In U. K. Metal Consumption

British Metal Corp. Survey Reveals General Increase Over 1924 — Sound Bright Note for Copper, Lead and Zinc — Auto Uses Boosted

After giving due credit to the improvement in general trade and industry, especially in the home market, the British Metal Corp. of London, in a review of base metal conditions in the United Kingdom, notes a general tendency toward increasing limitations in exports from that country. Of particular interest to the Canadian mining world is the section dealing with recent trends of consumption of the nonferrous metals. In this field a favorable comparison with consumption in the year 1924, which is taken as the basis, is noticed.

The following table, prepared by the British Metal Corp., shows a trend of consumption of lead, spelter copper and tin in the United Kingdom since 1929. For comparison, the Board of Trade index of production is added as a representative indication of general trade activities.

Indices of U. K. Consumption

Year	Lead	Spelter	Copper	Tin	Board of Trade index of prod.
1924	100	100	100	100	100
1929	123	116	116	104	112
1930	112	95	112	94	103
1931	112	84	90	87	94
1932	106	65	90	77	93
1933	128	82	112	83	99
1934*	141	97*	131*	87*	110‡

*First eight months.
‡First six months.

In connection with lead, it is noted that the increase in demand has been due primarily to the "almost hectic expansion" of the building industry in the past two years. It is anticipated that the present high level of activity will be sustained for several more months. The review is of the opinion that the improvement in the lead situation is also due to a certain extent to the expansion in the motor industry.

In view of the important part played by the motor industry in consuming non-ferrous metal production, the following table, showing the expansion this industry has enjoyed since 1929, is of particular interest:

U. K. Auto Output

Year end. Sept.	Registrations	Product.
1929	1,459,732	238,805
1930	1,560,266	236,528
1931	1,588,075	226,307
1932	1,642,575	232,719
1933	1,738,972	286,283

In concluding its section on lead, the review states:

"Altogether the prospects for lead consumption in this country, based on analysis of the principal consuming channels, seem so far very good. We may look with some confidence for the maintenance, and perhaps further advance, of the present rate and demand for lead."

The improvement in house building is also credited by the review for the brightening copper outlook. Improvement in the general transportation and engineering industries has also contributed to the increased production. Greater prosperity at home has increased the demand for many products into which copper enters, such as radios, gramophones, electric cookers and fires, refrigerators, etc. In this connection the review states:

Electrification Aids Copper

"For the future, the main influence on copper consumption seems likely to be the spread of electricity in the home, involving the multiplication of secondary transmission lines and the wiring up of more houses, both old and new. At a later date we may see electrification of the railways which would, of course, materially increase our use of copper. But this is not a factor in the immediate outlook. Immediately we anticipate that copper consumption will be at least maintained."

In 1929, the consumption of tin in the United Kingdom was about 25,000 tons, the review points out, but it declined to 18,500 tons in 1932. In 1933 it recovered to 20,000 tons and for the first two-thirds of the current year the rate had been equal to 21,000 tons in the full year. For the tin consumption of the United Kingdom as a whole, a slow increase over the present rate of around 21,000 tons per annum now seems likely, this analysis predicts.

OIL MEN PROTEST AS RIGID QUOTA CLAMPED ON FIELD

Alberta Gov't Limits Production to 152,000,000 Cubic Feet

From Our Own Correspondent

CALGARY—Turner Valley oil operators are raising their voices in protest against the action of the Alberta Government in imposing more rigid gas conservation in the field in the face of what the operators say is a naphtha shortage in the West.

When conservation was first imposed, Turner Valley oil companies were limited to a gas production of 199,000,000 cubic ft. daily. The ruling was made to save the field, which was fast being depleted by gas withdrawals amounting to as much as 500,000,000 cubic ft. daily, nearly all of which was burned in the air after the naphtha had been extracted.

Later, farmers who use the valley product extensively in connection with farm operations protested that such rigid conservation reduced the production of naphtha to such an extent that they were hampered in obtaining cheap fuel for their farm machinery. The government, accordingly, lifted the conservation measures to some extent and a flow of about 172,000,000 cubic ft. daily for the field was permitted.

Farmers Quiet

Now the government proposes to limit the flow to about 152,000,000 cubic ft. daily, possibly bearing in mind the naphtha richness of South Turner Valley gas to each million cubic ft. of gas produced. The order, however, has resulted in considerable dissatisfaction among operators, although, so far, farmers have not complained and are apparently able to secure all the naphtha they require.

The feature news of the past week in the south field was the striking of the lime by the SpoonerAnaconda well located in the same section where several wells are under way to anticipated naphtha production. Spooner-Anaconda, which is financed by the sale of royalties and in which both the Sponer and Anaconda companies are interested, will be cemented in the limestone and when the cement is hardened drilling will be resumed in the naphtha producing horizon.

List Gas Quotas

Not far distant from Spooner-Anaconda is Renfrew Royalties, which last week encountered the cardium sandstone, a definite marker, at a depth of a little more than 2,500 ft. This well is financed by the sale of royalties by a syndicate composed of Fay Becker and associates of Calgary.

The following gas quotas have been allowed by the government for the following important south valley producers: (the figures are in thousands of cubic ft. daily). Highwood-Sarcee, 10,050; Freehold-Marjon, 7,740; Marjon (2) 3,508; Merland, 8,220; Anaconda (2), 4,188; Sterling Royalties, 7,938; Sterling Pacific (1), 1,246; Sterling Pacific (2), 3,450; Mercury (1), 10,086; Mercury (3), 2,907; Hylo, 4,512; Southern Lowery (1 and 3), 4,965; Southern Lowery (2), 3,990; East Crest (1), 930; East Crest (2A), 7,536.

Wabana Iron Shipments Improve Over Last Year

From Our Own Correspondent

ST. JOHN'S, NFLD.—Iron ore shipments from Wabana are slightly up, compared with last year, to the end of September. September shipments totalled 59,600 tons, bringing the total for the year to 448,900 tons.

Germany is the largest customer, taking over one-third of the total. Shipments as distributed were:

Germany, 322,600 tons; Sydney, 110,400 tons; England, 15,900 tons.

All the ore sent to England went to the Ford Motor plant at Dagenham on the Thames.

For the past dozen years Germany has been by far the best customer for Wabana ore, and in 1932 was the only customer and almost the only one last year.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG. — Interest in Manitoba mining during the past week seems to have centred in the Rice Lake district particularly. Poundmaker Mines held a directors meeting, with Senator Gerald C. White, president of the company, Ottawa in the chair.

C. B. Dawson, J. Parker Kerby, the former resident engineer and the latter secretary and both resident at the property were also in attendance. The directors subsequently visited the property, which was formerly known as the Selkirk Canadian and which lies northwest of the San Antonio. Development work so far has proved encouraging, Mr. Dawson said and the company is making plans for a programme which will occupy all the winter months.

LaBine on Vanson

Vanson Manitoba Gold Mines has added Gilbert LaBine to its directorate, according to announcement made by A. J. Andrews K.C., president of the company. Mr. LaBine visited the property recently and announced himself well satisfied with developments. It is expected the property will be completely changed over for electric operation by November 15. The heaviest individual pieces of equipment ever shipped into the Rice Lake district were sent out this week, when three transformers each weighing seven and a half tons and three smaller ones each weighing two tons were loaded on a barge on the Red River and towed to English Brook. Specially constructed skids were shipped with the transformers and at English Brook they must be hauled over a two mile portage, loaded on to another barge and conveyed to Government Landing on the Hole River. Here they are again placed on skids for a further 12 mile overland haul to the Vanson mine, which is two miles north of the San Antonio.

A letter from Jos C. Houston, consulting engineer for the company, addressed to the directors of the company, points out the possibility of two different developments. Developments at the 225-ft. level indicate an ore body with $5.40 over more than 30 ft. of nearly $13 (old price) over six ft. This might be mined, either as a large low-grade proposition or as a smaller higher grade mine. The company however intends to do much more development work at greater depths before coming to any decision as to milling plant. It is comfortably financed for some time to come.

Packsack Active

Packsack Mines headed by H. R. Drummond-Hay of Winnipeg, president of Island Lake Mines, vice-president of God's Lake Mines and an official of several other mines, is preparing for active work. The Packsack owns what was formerly known as the Montcalm-Tine property, four miles south of San Antonio and which contained on it the famous "Golden Sidewalk." A drilling programme is announced and plans are being made for winter work.

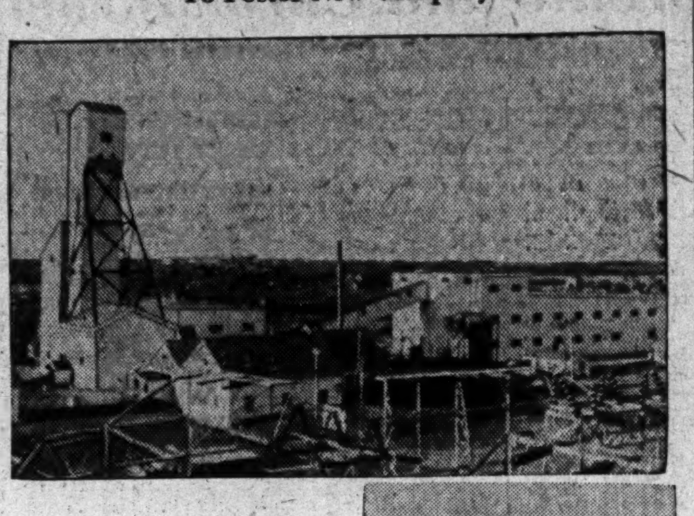
Rice Lake Mines has moved its drills from the Independence vein to the claim known as the Golden Horn. Drilling on the Independence so far is inconclusive. There is a rich surface outcrop for well over 200 ft., faulted at the northwest and cut off by a big dike at the lower end. At the northwest end the ground dips into a heavy swamp and it was judged advisable to wait until winter sets in before undertaking further drilling. It is possible that this particular section of the Rice Lake Mines property may be explored with a shaft.

On the property to which the drills have been moved there is a long outcrop which is now to be explored. Jock McGregor has just about completed a geological survey of the entire property and with this available it is believed the ascertaining of ore bodies will be considerably simplified.

Bailor to Buy Midway?

A deal is reported by which Bailor Gold Mines will purchase the Midway group of claims in the Central district from William Walton, Gunner Berg, Leo Seaberg and Billie Quesnel. The Midway adjoins quite closely Central Manitoba Mines Limited and has some rich outcrops. It is understood the papers are being signed and that the vendors are to receive around $30,000 and 100,000 shares of Bailor Gold Mines stock.

To Foster New Company



Sylvanite Gold Mines, in the Kirkland Lake district, has announced that a new company will be formed to take over the property of La Roche Gold Mines in the Porcupine area. While the name of the new company has not been announced, it is expected the charter will be obtained next week. The above panoramic view of Sylvanite, by The Financial Post, shows the main Kirkland Lake property, with the mill addition. To the left is Sylvanite's small shaft.

Horses and Men Cut Through Bush Keep Mine Going

From Our Own Correspondent

WINNIPEG.—Sending two teams of horses under their own locomotion a distance of 40 miles doesn't sound like anything very wonderful, but when Harry McCaffrey, freighting contractor, agreed to get two teams into the Diana Gold Mines he was frankly told "It couldn't be done." Harry has plenty of horses but he had to buy two new teams as his, he thought, were too heavy and clumsy for such a trip. Then he had to scout around and find men who knew their way through the uncharted bush. Planes were to drop feed for men and horses by flying over the probable route and locating them by means of smoke signals.

Heavy peat fires south, however, kept the planes out of the air and the group were on slim rations. Rivers had to be forded; swamps traversed or evaded; underbrush and windfall cut out of the way. It took the seven men and horses eight days to reach their destination. One day all they made was three miles.

But they landed at Diana Gold Mines camp in time to save the mill from a shutdown due to lack of cordwood for their boilers.

HOWEY DECLARES 4 CENT DIVIDEND PAYABLE DEC. 1

Third Quarter Bullion Recovery Shows Decline

In keeping with the prediction made by R. T. Birks, president of Howey Gold Mines, at the annual meeting of shareholders in March last, directors of the company have declared a dividend of four cents per share payable Dec. 1 to shareholders of record Oct. 31. This is the third dividend payment in the current year and brings disbursements to a total of 10 cents per share.

The declaration of four cents per share payable in December is the fulfillment of a prophecy made by Mr. Birks in addressing shareholders last spring. At that time he predicted that in addition to a payment of three cents per share which had already been made, further disbursements of three cents would be made in June and four cents at the end of the year. The second payment of three cents per share was made July 2 and now a further payment of four cents per share has been declared.

Bullion recovery during the third quarter of 1934 was approximately $1 per ton less than in the previous three months. This was due to the milling of a lower grade of ore than in the preceding quarter. An official statement covering operations in the three months ended Sept. 30 shows tonnage milled to amount to 123,654 tons. From this, bullion to the value of $367,502 was recovered, equivalent to $2.97 per ton. In the three months ended June 30, 119,020 tons were milled and total recovery was approximately $471,000, giving millheads of $3.95 per ton. Costs in the third quarter were reported at $1.80 per ton.

ONT. GOLD OUTPUT FOR NINE MONTHS SHOWS 41% JUMP

Production to End of September Valued at $52,298,353

Tonnage milled and value of production of Ontario gold mines both registered a decline in the month of September as compared with the preceding month, the regular monthly bulletin of the Ontario Department of Mines shows. During the month a total of 546,477 tons of ore was milled to produce bullion worth $5,546,644. In the month of August tonnage milled amounted to 560,942 pounds and recovery was valued at $6,058,950. In making the above valuations gold was taken at the current price.

This brings the value of Ontario's gold production in the current year to $52,298,353, an increase of 41 per cent over the first nine months of 1933 when bullion to the value of $37,047,850 was recovered from 4,142,505 tons of ore milled. Mill tonnage in the first nine months of 1934 has shown an increase of 13 per cent over the same period of last year.

For the first time since February of this year the output of the Porcupine camp exceeds that of the Kirkland Lake producers. Over the nine month period, however, Kirkland Lake remains the largest producing area in the province.

Ontario producing gold mines in order of output for September, by camps, follows:

Porcupine Camp—Hollinger, McIntyre, Dome, Coniaurum, Buffalo-Ankerite, Anglo-Huronian (Vipond) and Marbuan.

Kirkland Lake Camp — Lake Shore, Wright-Hargreaves, Teck-Hughes, Sylvanite, Macassa, Kirkland Lake, Toburn, Ashley, Barry Hollinger and Bidgood.

Northwestern Ontario — Howey, Parkhill, Central Patricia, Ardeen, St. Anthony, Northern Empire, Minto and J. M. Consolidated.

The following tabulation gives comparative figures of the output for the first nine months of 1934 by camps.

Source & Period	Tons Milled	Value $
Porcupine:		
January	302,580	2,513,247
February	275,105	2,692,955
March	299,220	2,726,532
April	293,668	2,648,257
May	302,875	3,000,977
June	301,020	2,545,566
July	314,145	2,720,509
August	329,218	2,871,027
September	321,019	2,721,819
Total	2,738,850	24,440,889
Kirkland Lake:		
January	167,953	2,781,721
February	151,794	2,855,784
March	170,542	3,016,363
April	166,328	2,801,916
May	172,379	3,217,018
June	166,799	2,951,009
July	170,358	2,853,782
August	173,100	2,918,015
September	170,116	2,575,822
Total	1,509,369	25,771,430
Northwestern Ontario:		
January	47,646	233,080
February	36,720	199,889
March	48,826	218,430
April	46,682	216,668
May	46,766	236,619
June	48,912	211,298
July	50,038	251,139
August	58,624	269,908
September	55,342	249,003
Total	439,556	2,086,034
Total—January	518,179	5,528,046
February	463,619	5,548,628
March	518,588	5,961,325
April	506,678	5,666,841
May	522,020	6,454,614
June	516,731	5,707,873
July	534,541	5,825,430
August	560,942	6,058,950
September	546,477	5,546,644
Grand total	4,687,775	52,298,353

Commercial Ore Indicated Briarcliffe Mines States

Frank G. Stevens, consulting engineer for Briarcliffe Mines has left to study the Lucky Baldwin Mine located on the famous Motherlode of California and operated by Briarcliffe.

In a recent progress report Briarcliffe states that, working at about 400 ft. depth from the winze, a width of 72 ft. of ore has been cut "showing consistent values of good milling ore across the full width."

The Baldwin claim and adjacent properties totalling between 1,500 and 2,000 acres were acquired about three years ago by London, Ont., interests after an intensive study of the situation. Work to date has been carried out with private capital. A 50-ton mill has been installed, and the mine placed in production on a moderate scale, mainly, it is stated, for testing purposes. In the past the Lucky Baldwin has produced some $750,000 worth of gold. One of the first claims to be patented on the Motherlode, Lucky Baldwin has been worked by previous operators in a high grade manner to a depth of not more than 250 ft.

GOD'S LAKE GOLD SPLITS PROPERTY FORMS COMPANY

Jowsey Island Gold Mines Owns Westerly Holdings in Manitoba

In order to develop its holdings, God's Lake Gold Mines has caused a subsidiary company, Jowsey Island Gold Mines to be incorporated with a capitalization of 3,000,000 no par value shares. The new company owns outright the westerly holdings of God's Lake Gold Mines approximately two miles in length including the original discovery and about one mile of the Akers or main break of the camp.

Following the pioneer discovery in the district in July, 1932, by Robert J. Jowsey, president of the company, surface trenching and diamond drilling were undertaken but the break-up the following spring forced the suspension of operations which were transferred to another showing on the Akers claims now being prepared for production next year by God's Lake Gold Mines. It was not until last winter that drilling was again possible at the site of the original find. Drilling resumed last spring indicated an ore shoot 300 ft. long assaying 36 oz. of gold per ton ($12.60 with gold at $35) over an average width of 4½ ft. to a depth of 90 ft. with full length not delimited.

To Diamond Drill

An aggressive diamond drilling programme is to be started this fall directed at probing the one mile extension of the Akers break which is parallel to and about 1,700 ft. south of the Jowsey vein. An electrically operated mining plant is being taken in this winter preparatory to shaft sinking next year when the most advantageous site has been selected.

The new company is headed by Robert J. Jowsey, Toronto, president and Walter E. Segsworth, mining engineer, Toronto, vice-president and consulting engineer. Finances have been assured by a firm underwriting by Gairdner & Co., bond dealers, Toronto.

Big Missouri Mines Corp.—Official reports state that work has started on the new low level tunnel at this company's property in the Portland Canal mining division of B. C., being developed by Consolidated Mining & Smelting Co.

Miniature Rush Follows Report of Airways Find

From Our Own Correspondent

SENNETERRE, Que.—A staking boom of mild proportions is underway in the Waswanipi Lake sector of Northwestern Quebec, some 60 miles north of Senneterre, as a result of the gold discovery made by Prospectors Airways Ltd., last week.

During the past few days at least 100 stakers have left by 'plane to take up ground in the vicinity, and the rush is gaining momentum. A last-minute dash to secure ground is being attempted, and with the freeze-up period imminent it is felt that at least a portion of the stakers now in the country will be marooned until the lakes and rivers are frozen over, when transportation out will again be possible.

The find causing the present excitement is described as a strong quartz vein, showing considerable free gold of the spectacular type. The Prospectors Airways group has been optioned to Ventures, Ltd., who lost little time in sending a field scout to the area when first news of the find reached the steel at Senneterre.

KOOTENAY BELLE TO MILL ITS ORE

Make Last Shipment of Straight Ore to Trail

Kootenay Belle Gold Mines has shipped its last car of straight ore to the smelter, officials report, and hereafter all ore will be milled. The company reports that lot No. 52 from this property in Sheep Creek area shipped from Salmo on September 28 to the Trail Smelter, contained 43.88 dry tons of ore, assaying 2.4065 oz. gold and 1.05 oz. silver or a net value of $2,928, reported by the smelter, including premium, after deduction for treatment and railway freight. Lot No. 53, shipped on October 12, was the last.

The company states that changes are being made in the tramway to serve the new ore bins. Mill building is complete, machinery installed and the Hadsel mill will be ready to operate as soon as power is delivered from West Kootenay Power & Light Co. Ltd.

McMILLAN BOOSTS MILLING SCHEDULE TO 125 TONS DAILY

Preliminary Problems Overcome as Company Expects Second Brick

From Our Own Correspondent

SUDBURY.—Customary problems in connection with the initial operations of a milling plant have now been overcome at McMillan Gold Mines, and with certain changes effected everything is now working satisfactorily. It is anticipated the second gold brick will be shipped from the mine this week. In the meantime millfeed is being increased to 125 tons daily.

The mine has now been completely electrified. Superintendent Lee Heidenreich has a total working force of 125 men, on surface and underground. Seven drills are now employed in stoping and development.

Ore From Three Levels

Ore from the mill is being drawn from three levels, the 225, 325 and 625, and arrangements are being made to open the 525-ft. level. Last week in development work at the 225-ft. level a new vein was encountered.

Following the recent tragic death of the McMillan president, Dr. J. H. Banks, of New York, who passed away at Espanola, following a heart attack, G. A. Foot, of Sudbury, vice-president, has been officiating in his stead. It is expected that in the near future a meeting of the board of directors will be held for the purpose of electing a successor to the late Dr. Banks.

AN H. R. BAIN & COMPANY CANADIAN GOLD ISSUE

We offer subject to prior sale and allotment

1,000,000 Shares

Macjoe Sturgeon Gold Mines LIMITED
(No Personal Liability)

CAPITALIZATION

Authorized Capital (Par Value $1.00) .... 3,500,000 Shares.
Issued for Property 1,500,000 Shares. (1,000,000 Shares Pooled for 18 months from Oct. 15, 1934)
This issue 1,000,000 Shares, balance in Treasury 1,000,000 Shares.

OFFICERS AND DIRECTORS

President—JOSEPH McDONOUGH
McDonough Mining Syndicate. Jomac Gold Syndicate.
Vice-Pres. and Managing Director, Shawkey Gold Mines, Ltd.

Vice-President—GILBERT A. La BINE
Vice-Pres. Eldorado Gold Mines, Ltd.; President Gunnar Gold Mines, Ltd.

Managing-Director—REGINALD E. HORE
Consulting Geologist, formerly with Ontario Department of Mines. Instructor Houghton (Mich.) School of Mines. Geologist Canadian National Railways.

Director—ROBERT FENNELL, K.C.
Director, Greene Stabell Mines Limited, Pickle Crow Gold Mines, Ltd., Murwood Gold Mines, Ltd., El Bonanza Mining Corporation, Ltd.

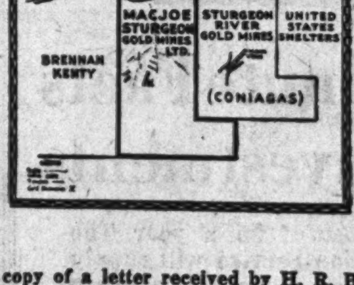
Director—FRED. R. MARSHALL, Solicitor

Registrars and Transfer Agents—MONTREAL TRUST CO., Toronto, Ontario
Auditors—GEO. A. TOUCHE & CO., Toronto, Ontario
Solicitor for the Company—FRED R. MARSHALL, Toronto, Ontario
Solicitors for Underwriters—FENNELL, PORTER & DAVIS, Toronto, Ontario

Head Office—703 GENERAL ASSURANCE BLDG., 357 Bay St., Toronto, Ontario

PROPERTY—Macjoe Sturgeon Gold Mines, Limited, owns 9 well located claims (360 acres) on Sturgeon River, adjoining and between Sturgeon River Gold Mines (Coniagas) and Casey Contact (Brennan-Kenty).

GEOLOGICAL CONDITIONS—The Geological conditions on this property, according to Mr. Joseph McDonough, are identical with the adjoining properties and new gold discoveries have already been made, while gold has been panned in many places. The fault of the Coniagas gold discovery has been picked up on the property. Gold bearing quartz has been found in several places.



In a wire received October 10th, P. McDonough states in part: "Free gold found in several places"—"I think your property holds the key to both Coniagas and Brennan-Kenty finds"—"I think this is the best prospect in the Sturgeon River Area."

The following is a copy of a letter received by H. R. Bain & Co. Ltd. from Reginald E. Hore, Consulting Geologist.

October 3rd, 1934.

The Macjoe Sturgeon Gold Mine property was staked by Pete McDonough for the Jomac Syndicate. Prospecting resulted in gold bearing quartz being found in three places on the property and a crew is now at work stripping these veins and searching for others. It is planned to immediately put more men at work to thoroughly explore and develop the property.

The Macjoe Sturgeon Gold Mines Ltd. owns nine claims (360 acres) on Sturgeon River between the properties now being developed by Sturgeon River Gold Mines (Coniagas) and Casey Contact (Brennan-Kenty). Gold bearing veins have been found on these adjoining properties which were staked by the Wood-Brown and Brennan-Kenty Syndicates.

There are a large number of gold bearing quartz veins in the area covered by the three properties and as the Macjoe Sturgeon Gold Mines Ltd. holds the middle section, it is obviously attractive ground, meriting intensive exploration.

Yours very truly,
REGINALD E. HORE.

PURPOSE OF ISSUE—Intensive and thorough exploratory and development work will be carried on under the personal supervision of Reginald E. Hore.

Present Offering 30c per Share

The Company having received payment or commitment to pay, the proceeds of this issue do not go into the treasury of the Company, whose securities are hereby offered for subscription.

MINES DEVELOPMENT DIVISION
H. R. BAIN & CO. LIMITED
INVESTMENTS
350 Bay St. TORONTO ADelaide 4274
OTTAWA LONDON HAMILTON MONTREAL ST. CATHARINES

The statements in this advertisement are not guaranteed, but are based on information which we believe to be reliable and on which we acted in purchasing these securities.

W.-HARGREAVES HAS BEST YEAR IN ITS HISTORY

Current Assets Million and Half Dollars Higher Than 1933

The fiscal year ended August 31, 1934, was a record breaking one for Wright-Hargreaves Mines the company's annual report reveals. Production, mill tonnage, earnings and dividend disbursements were all on the highest level in the history of the company, and the company's balance sheet shows current assets almost one and one half millions higher than a year ago.

Net profits for the year under review were $3,836,131, equivalent to 70 cents per share. This is more than double profits of any previous fiscal period. While the 1933 earnings are not comparable since they cover only an eight month period, profits for the fiscal year ended Dec. 31, 1932, were $1,778,203 or 32 cents per share. Dividend disbursements for the 1934 fiscal year totalled 55 cents per share.

The following tabulation gives the income and surplus account for the year ended August 31, 1934:

Income and Surplus Account
Year Ended August 31, 1934

Bullion produced	*6,797,579
Less oper. exps.:	
Devel. & explor.	357,224
Stoping	748,532
Trans & hoist. ore	275,119
Milling	459,090
Marketing bullion	32,060
Gen. surface	37,453
Stock & transfer charges	13,686
Ins., silicosis, etc.	83,027
Gen. & admin. exp.	120,792
Directors' remuneration	5,000
Taxes	275,000
Net oper. earnings	4,390,596
Add Non-oper. income:	
Interest	66,768
Discounts earned	2,956
Rents, etc.	2,986
Total net earnings	4,463,306
Less: Depreciation	274,763
Depletion	182,111
W/o Shaft No. 4	170,300
Net profit	3,836,131
Less dividends	3,040,601
Surplus for year	795,530
Add: Previous surplus	2,624,845
Balance carried forward	3,420,375

*After deducting special bullion tax of $306,639.

Earn. per Share & Dividend Record:

Earned	$0.70
Paid	0.55

Revenue from bullion sales after deduction of the new Federal bullion tax, which amounted to $306,639, was $6,797,579, while the normal value of gold produced, gold taken at $20.67 an ounce, was $4,525,150. This indicates that 1934 would have been a record breaking year for the company even without the higher price for gold. The previous production record was $3,546,903 in the 1932 fiscal period.

Production Costs up

Mill tonnage for the year amounted to 330,741 tons from which 207,655 ounces of fine gold and 40,915 ounces of fine silver were produced. The average grade of the ore going to the mill was .66 ounce or $13.68 per ton, gold taken at $20.67, with a recovery of .63 ounce or $13.07 per ton, an extraction of 95.51 per cent.

Production costs increased to $9.17 per ton from $8.64 in the 1933 fiscal period. While mining costs at $3.09 per ton were eight cents per ton lower than last year milling costs were ten cents per ton higher. Depreciation, depletion and taxes also registered increases.

Liquid Position Strong

The balance sheet dated August 31, 1934 shows the liquid position of the company to be the best in its history, current assets amounting to $4,148,570 as compared with $2,669,357 at August 31, 1933, an increase of $1,479,213. Cash on hand and in the banks alone amounts to $3,209,580, bullion in transit to $289,643, materials and supplies on hand to $197,961 and government and municipal securities to $373,432.

Current liabilities total $1,353,969. This includes $474,962 in accounts payable and the sum of $825,000 provided for the dividend which was paid on October 1 last. Working capital amounts to $2,794,601 as compared with $1,651,913 as at August 31, 1933.

Ore reserves also contribute to the bright record of this producer, and are shown at 1,185,204 tons as at Aug. 31, 1934, as compared with 998,061 tons on Aug. 31, 1933.

The following table shows ore reserves, with ounces of gold per ton, grade, and value at $20.67 per ounce gold:

	Tons	Oz.	Grade $	Value $
On hand Aug. 31, 1933	998,061	.67	13.75	13,726,809
Dev. in fiscal year	517,884	.60	12.44	6,441,538
Total	1,515,945	.64	13.30	20,168,347
Milled in fiscal year	330,741	.66	13.68	4,525,150
Res., Aug. 31, 1934	1,185,204	.64	13.20	15,643,197

Development Outlined

Speaking of the ore condition, M. W. Summerhayes, general manager states that a considerable amount of the ore developed during the year was low-grade, but due to prevailing gold prices, can now be included in ore reserves.

A total of 17,162 ft. of drifting was done during the year, Mr. Summerhayes states, of which 8,052 ft. was in ore. A diamond drill hole has intersected the north vein at the 4,500-ft. horizon showing "the usual excellent structure and mineralization."

Mr Summerhayes states that it is planned during the present fiscal year to prepare for a new interior shaft for developing the mine below the present bottom. This will consist of the necessary hoisting station, ore and waste passes to connect with No. 3 shaft, and the upper portion of the shaft above the 3,900-ft. level.

In reference to milling, Mr. Summerhayes states that the pilot mill indicated a possible extraction of 96.2 per cent. This percentage was obtained in May and has been bettered each succeeding month since that time.

Metal Prices

New York Oct. 23—
Copper: Electrolytic spot and future, 9c.
Silver: 53c.

London—Oct. 23—
(Long Ton)—
Copper: Electrolytic spot, £30; future, £30 15s. Standard spot, £27 5s; future, £27 12s 6d.
Tin: Spot, £230 12s 6d; future, £228 17s 6d.
Lead: Spot, £10 7s 6d; future, £10 10s.
Zinc: Spot, £12 12s 6d; future, £12 12s 6d.
Silver: 23 11/16d. per ounce.
Gold: 140s 3d.

Canada—Oct. 23—
Gold: $34.16.

East Malartic Stirs Interest In New Strike

From Our Own Correspondent

AMOS, Que.—A discovery of considerable potential importance has been made on the Fourniere Township property of East Malartic Mines, adjoining the Canadian Malartic operation.

The showing is in silicified arkose, heavily mineralized with pyrite, and with free gold in evidence. When The Financial Post was at the property this week the vein had been traced for a length of 130 feet over widths of at least 20 feet with one wall not yet reached. The discovery was uncovered in the centre of a muskeg and consequently there is some difficulty in attacking it. With so much visible gold in place the management have given scant attention to sampling at this juncture, but one assay taken ran 4.22 ounces. An official of the company stated to The Financial Post that an average of one ounce over the 20-ft. width appeared probable.

The East Malartic discovery was made by Lee Coffin, staker of Noranda's Borbeau Lake property, who held the claims for several years.

East Malartic Mines Limited was just recently incorporated and has as directors Hector Authier, M.L.A., J. P. Norrie, M.E. and Lee Coffin, all of Amos, Que.

WENDIGO INTENDS TO DEEPEN SHAFT LENGTHEN DRIFT

Increases Power Facilities to Speed Work in Lake of the Woods

Recent work at Wendigo Gold Mines, which owns 24 mining claims in the Lake of the Woods district of Ontario includes additions to mining camps such as the installation of two new Ingersoll Rand 400 ft. air compressors. The company now plans to complete the shaft to the 500 ft. level and to extend the drift east and west on the 200 ft. level, and to carry out similar drifting operations on the 350 ft and 500 ft. levels. The company states that the increased power installation will enable the work to progress at the rate of from 30 to 40 ft. per day. Mining operations of this company are under the direction of Horace G. Young formerly connected with Howey Gold Mines.

Samples from 100 ft. and 50 ft. levels gave the following results, according to company officials:

First level—total length of driftings 52 ft. west, 76 ft. east, gave sample returns of .602 ounces per ton over an average width of 30 inches.

Second level — total length of driftings 230 ft. west and 20 ft. east, gave channel sample returns of .403 ounces of gold per ton over an average width of 37 inches.

Wendigo Gold Mines have an authorized capitalization of $2,000,000 in $1 par value shares, of which $1,720,005 are outstanding. The company is headed by Henry D. Tudor, of Boston, Mass.

MATACHEWAN CON. MAY START MILL ABOUT NOV. FIRST

Third Producer For Area Promised as Work Rushed

From Our Own Correspondent

SUDBURY. — A third gold producer in the Matachewan area is assured for next month, when the new 100-ton mill at Matachewan Consolidated will be turned over at Nov. 1. Construction work was commenced about the first of August, so that only about three months time will have been consumed in bringing the plant to the point of operation. The mill is of the cyanide extraction type.

Young-Davidson, operated by Hollinger Consolidated Mines, and the Ashley are the two properties in Matachewan already producing.

The mill at the Matachewan Consolidated was decided upon last midsummer by directors of Ventures which company is sponsoring operations. Several months had been spent in a thorough exploration of the underground workings, initial development having been carried on by Canadian Matachewan. Ernest Craig, superintendent of Falconbridge Nickel Mines, consulting engineer for the Matachewan venture, has just recently returned from the property. Millfeed will be taken from the 160-ft. level, where lateral work has been proceeding for some time.

Bruell Gold Sends Crew to Start Winter's Work

Bruell Gold Syndicate has dispatched Eugene Frey, mining engineer, and a crew of men to the property off Bell River in Vauquelin Township, Northwest Quebec, to conduct winter operations. These operations, Arthur W. Staniforth informs The Financial Post, will consist of stripping, trenching and blasting into the vein uncovered in September of this year. This work will be done at intervals of every 100 ft. east and west to get the approximate length and width of the ore shoot. The company states that the new machinery will be shipped in after the freeze up.

GODFREY SCORES TECK DIRECTORS URGES PUBLICITY

Dr. Forbes "Did Right Thing at Wrong Time, Wrong Way"

Action of two Teck-Hughes directors in selling their stock prior to the announcement of the dividend cut on Sept 17, was directly blamed by J. M. Godfrey, Ontario Securities Commissioner, for the selling wave which has so severely depressed Teck-Hughes stock. In making his report, following an investigation by the securities commission, Mr. Godfrey also criticises the failure of Dr. D. L. H. Forbes, general manager, to disclose information regarding conditions at the mine, conditions which resulted in a reduction in the dividend.

In this regard, Mr. Godfery, in his eight page report states:

"I find that Dr. Forbes, the president and general manager of the company, did not sell any of his shares and in fact has not sold shares in the Teck-Hughes company for several years, I find that he was not connected with any manipulation of the stock, and that he did not secretly disclose any information which he had as a director and officer of the company. The same finding also applies to Albert W. Johnston, chairman of the board; George C. Miller, vice-president; John F. Lash, director: John F. Thompson, director, and Kintzing P. Emmons, treasurer.

Criticizes Forbes

"I have to find, however, that Dr. Forbes is subject to some criticism in connection with his failure to disclose information regarding the mine and its operations to the shareholders and the investing public. Dr. Forbes stated that he had been considering the question of dividend reduction for a considerable time, in fact during the last two years. The matter had been discussed at a directors' meeting on May 9. On the 20th, 21st and 22nd of August he visited the mine and after consultation with his staff, decided on a radical change in policy.

"As a result of this change one of the three shifts operating the mine was to be cut off; there was to be a reduction of the tonnage treated from 1,300 tons to between 1,000 and 1,100 tons; the old mill equipment was to be used for the treatment of tailings. This change in policy was to be put into effect on Sept. 1. It is obvious that these changes could not be made without causing considerable discussion and the spreading of many rumors derogatory to the mine, and yet no explanation was given to the shareholders, with the result that many disturbing stories were put into circulation which had a serious effect upon the selling price of Teck-Hughes shares.

"This failure to give official information to the shareholders is not new in connection with the management of the mine, Dr. Forbes frankly admits that there have been complaints by shareholders as to lack of information which has made him unpopular and has caused him to be severely criticized."

Directors Scored

Speaking of the action of W. W. Reilley and Conrad E. Wettlaufer, two directors who sold 20,000 shares between them on Sept, 12 and 14, the commissioner states:

"I have to find upon the evidence that the chief reason for the selling wave which broke on the 12th of September was the sale of 5,000 shares made by one of the directors, Mr. W. W. Reilley. He stated that at 9.30 on the morning of the 12th of September, the day after his return from the directors' meeting, he was called by a member of the firm of Glenny, Roth and Doolittle, one of the largest brokerage houses in Buffalo. This broker asked him if he wanted to sell Teck-Hughes and Mr. Reilley told him to sell 5,000 shares. If Mr. Reilley had stated to the broker that the dividend would be cut it would have had exactly the same effect. The result was an utter demoralization of the market and rapidly falling prices. On the 14th September Mr. Conrad E. Wettlaufer contributed his share to the debacle. He and his family sold over 20,000 shares. As these sales were made quite openly there could be only one result.

"The only excuse Mr. Reilley offered was that after the shareholders' meeting was over and before they took their train for Buffalo, Mr. Kintzing P. Emmons, another director, came to the Royal York and informed him and Mr. Wettlaufer that Dr. Forbes had prepared a statement regarding the condition of the mine which was to appear in the Northern Miner on the 13th September. Both he and Mr. Wettlaufer said that they resented very much this action on the part of Dr. Forbes. They decided at the directors' meeting to postpone consideration of the dividend until the 17th. They understood that in the meantime no information would be given out and they thought this was a distinct breach of faith on the part of the chief executive. Mr. Wettlaufer added as a further reason for selling that he had these shares hypothecated to his bank and that he was practically forced to sell. Neither of these reasons, in my opinion, justified the action of these two directors. They probably had a just grievance against Dr. Forbes, but they should have communicated their objection to Dr. Forbes and insisted that there should be no statement given out. The other reason given by Mr. Wettlaufer, viz., pressure from his bank, is not convincing.

"The action of these two directors in using inside information to save themselves from loss at the expense of the other directors cannot be too severely censured, These men had a strong moral obligation to the other shareholders; they were in a position of trust and the betrayal of that trust was, to say the least, shocking to people of decent business instincts.

"It was argued on behalf of these two directors that having done that which they had a legal right to do they should not be subject to censure," continues the commissioner. "Mr. Reilley and Mr. Wettlaufer undoubtedly had the legal right to sell their shares as and when they did. On the other hand, the shareholders of Teck-Hughes Mine, Ltd., have also a legal right when electing their directors at their next annual meeting to give due consideration to the conduct of these two gentlemen."

The commissioner had criticism for the publication in The Northern Miner of an advertisement which described conditions at Teck-Hughes in glowing terms. This advertisement appeared on August 2. The explanation given was that the advertisement was originally intended for the annual number, which was several months late in going to press.

"Dr. Forbes apparently forgot all about the advertisement," states the commissioner, "and in view of his relationship with the paper and his confidence in its management he was justified in relying on them to see that on the date of publication no substantial change had taken place. The publication of the advertisement without re-editing was undoubtedly a serious blunder for which The Northern Miner must be held responsible. I cannot find on the evidence, however, anything to warrant the charge that the publication of the advertisement was part of a scheme to put up the price of the stock so that the insiders could get out at a favorable point before the break which was bound to happen when the dividend reduction was announced. There was no doubt it was an unfortunate mistake as it resulted in a substantial increase in the price.

Freer Information

"It is beyond the scope of this enquiry to do more than offer suggestions in connection with this matter. It would seem, however, that some method should be adopted of furnishing to the shareholders at reasonably frequent intervals accurate information concerning the operation of the mine. This would be much better than having information disseminated by the guessing of clever young men in brokers' offices who operate under the high-sounding title of "statisticians" and whose opinion is obtained by "underground" and "grapevine" methods.

"It should not be taken that what has been said in connection with the furnishing of information casts any serious reflection upon Dr. Forbes as the chief executive of this company. He has a long and well-established reputation as a mining engineer of outstanding ability. He took charge of Teck-Hughes when it was a struggling prospect and largely through his efforts it became one of the finest producing mines in our north country. It has been an extremely profitable venture to those who were fortunate enough to hold its shares. No one who attended the enquiry had any criticism of the management of Dr. Forbes, except as regards giving information to the shareholders. They all expressed their utmost confidence in his ability and integrity."

LACK OF POWER FAILS TO STOP SECOND RELIEF

Premier Ships Concentrates from Old Property

From Our Own Correspondent

VANCOUVER. — Two or three carloads of concentrates monthly have been shipped out during the past season by the Premier Gold Mining Co.'s operations at the Second Relief mine, 25 miles south of Nelson.

The company has suffered somewhat by shortage of power, but there has been sufficient to keep the 40-ton amalgamation and flotation mill in operation. Approximately 60 per cent of values are being saved by amalgamation.

As in the case of other properties in the same district, Second Relief will soon benefit from the laying of power lines by West Kootenay Power & Light Co. from the main Sheep Creek line over the mountains a distance of seven miles.

Since taking over the property a few months ago from the O'Neil interests in Vancouver, Premier has made rapid progress in development of Second Relief. S. M. Manning is superintendent. At present the underground work is confined to No. 2 and No. 5 levels. Unofficially it is stated that mill heads are running from .5 to .65 ounce gold per ton, with concentrates as high as 20 ounces.

Group Plan to Renew Work On Old Beckley Property

From Our Own Correspondent

SUDBURY. — Exploratory work carried out by C. H. Hitchcock and Lionel Brooke, on the old Beckley property in the northern part of Falconbridge township, near Sudbury, has produced sufficient information to warrant continued development, according to Mr. Hitchcock, who estimates that approximately 12,000 tons of ore of an average value of $8 per ton, have been indicated, after correlation of underground sampling with the diamond drilling recently performed. The estimates cover a depth of 125 feet only.

The Beckley gold property was staked years ago by Ronaldo McConnell, who was one of the outstanding prospectors in the early days of the Sudbury district, and was responsible for the discovery of the Whistle mine and other nickel-copper deposits.

A shaft was put down 46 feet as part of the former development plans, and a crosscut driven for 59 feet. Some weeks ago Messrs. Hitchcock and Brooke, as a private venture, pumped out the workings and commenced a diamond drilling campaign, five shallow holes being put down, three of them intersecting ore.

With the knowledge thus gained the new sponsors intend to organize a syndicate, and prosecute further development with the aim of proving up additional tonnage.

SILVER FUTURES TRADING STARTS AT 53.15 CENTS

1,920,000 oz. Traded on Commodity Exchange in Two Days

From Our Own Correspondent

MONTREAL — Attended by the usual formalities, trading in silver futures got under way this week on the Canadian Commodity Exchange, with representatives of the New York Commodity Exchange, Toronto Stock Exchange, Montreal Stock Exchange and the Montreal Curb Market in attendance.

Through a new form of trading and foreign to the majority of Canadian members, the opening day's trading resulted in a substantial volume of business being handled. Judging by the interest shown, it is likely that Montreal will develop into an important silver market; at least, it will be the only active silver futures market in the world.

Start With December

The opening bid on the new exchange was 52.97 cents and the first trade was effected at 53.15 cents an ounce for the usual contract of 10,000 ounces. This was a December future, the first month of trading for futures. When December trading was concluded, trading went on to succeeding months. During the first day, 126 contracts were made, covering 1,260,000 ounces, on December, January, March and May futures. The second day's trading covered 66 contracts, or 660,000 ounces.

Trading during the opening day was carried on between Montreal and New York members.

Result of Co-operation

For several weeks past, members of the Montreal Stock Exchange and the Toronto Stock Exchange, in cooperation with New York interests, have been engaged in setting up a market which would take the place of the silver futures market of New York, which closed up last summer when President Roosevelt put into effect the Silver Purchase Act.

The need for such a market is apparent from the wide geographical distribution of membership. At present the exchange has nearly 250 members, the majority of whom are located in Montreal and Toronto. Others are located in New York, London, Shanghai, Vancouver, Buffalo, Kingston, Quebec City and elsewhere.

Transfer of U. S. Funds

There was a possibility that the new legislation in the States would interfere with trading of New York members of the exchange, but such has not been the case. Inauguration of silver futures trading in Montreal occasioned some transfers of funds from New York for that purpose. No hard and fast rules have been laid down on the sending of funds to Montreal for trading in futures, and obstacles are likely to be placed in the way only if inordinately large transfers develop.

A dispatch from New York states that in the New York foreign exchange market a good deal of satisfaction was felt regarding the liberal attitude of the authorities on the transfers of funds to Montreal. So long as transfers are made through recognized channels and for what are called "reasonable purposes" no difficulties are anticipated. If any sudden increase takes place, however, the transfers might be construed as not for reasonable purposes. The extent of previous transfers possibly will determine the attitude of the authorities.

For the time being it is expected that a fair amount of the trading will originate in New York. So far Canadian interest has been circumscribed by caution, but this interest will broaden as soon as the new form of trading becomes more familiar. Meanwhile the Canadian Commodity Exchange has got away to a good start and shows promise of developing into an important market for the trading of the white metal.

SINK NEW SHAFT AT FALCONBRIDGE TO 200 FT. DEPTH

Expect Project Will Take Two Years to Complete

From Our Own Correspondent

SUDBURY. — Although lacking any time schedule, steady progress is being made in the sinking of the new five-compartment shaft at the Falconbridge Nickel Mines, commenced during the summer. Three small shifts per day are prosecuting the work, and the shaft has now attained a depth of approximately 200 feet. The first 100 feet were sunk through heavy sand overburden before rock was encountered. The dimensions in the sand were 26 feet six inches by 20 feet, while when bedrock was reached the measurements were reduced by 21 by 15 feet.

The new shaft is located about 2,500 feet east of the present shaft, and it is probable that nearly two years will elapse before the project is completed. The temporary sinking hoist procured recently from Treadwell-Yukon's Errington mine near Chelmsford in the Sudbury basin, now closed down, is giving good service in its part in digging out the big hole.

Underground Work Maintained

Underground operations at Falconbridge are proceeding at their normal pace, and reduction works are being maintained at capacity. A ready market continues to be found for the company's copper and nickel in European countries, after being refined at the plant at Kristiansand, Norway.

Construction programme on Falconbridge townsite has been completed for the year. During the summer 20 houses for company employees were built, a large classroom was added to the schoolhouse, and this week the town's new sewage disposal plant constructed under supervision of the mine staff, will be placed in operation.

Waterloo Gold Mines—The company reports that a vein six ft. wide has been uncovered on its Bridge River property by tunnelling, with assays ranging from $3.50 on the hanging wall side to $22 on the footwall.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

		June 1934*	July 1934*	Seven Months Ended July 1933	Seven Months Ended July 1934*
Asbestos	ton	13,719	12,042	64,355	79,930
Cement	brl.	520,832	564,711	1,503,364	1,920,071
Clay products	$	259,094	267,660	1,151,453	1,324,206
Coal	ton	979,879	991,023	5,636,470	7,120,922
Copper	lb.	27,859,099	29,484,128	158,032,611	206,625,931
Feldspar	ton	936	1,236	3,814	7,226
Gold	fine oz.	242,713	245,516	1,720,397	1,679,326
Gypsum	ton	67,109	64,737	152,489	222,182
Lead	lb.	28,613,779	30,140,043	149,482,428	189,135,492
Lime	ton	31,984	30,639	164,158	211,015
Natural gas	M. cu. ft.	1,142,526	951,466	14,286,840	13,971,932
Nickel	lb.	13,401,048	10,680,423	32,015,324	73,994,109
Petroleum	brl.	109,021	110,962	633,634	837,393
Salt (commercial)	ton	15,688	16,507	98,186	106,702
Silver	fine oz.	1,161,702	1,237,340	8,700,285	8,949,008
Zinc	lb.	21,617,223	22,186,356	99,309,137	159,640,934

* Subject to revision.

Buffalo Ankerite to Pay Extra Dividend of 3 Cents

Buffalo Ankerite, operating a gold producer in the Porcupine district of Ontario has declared an extra dividend of three cents per share to be paid to stockholders of record Nov. 1, 1934, payable on Nov. 15, 1934. The company also paid an extra dividend on Dec. 15, 1933, and May 15, 1934, in addition to the regular dividend of ten cents per share payable semi-annually.

Toburn Gold Mines Declares Dividend

Toburn Gold Mines, operating the old Tough-Oakes-Burnside Mine at Kirkland Lake, has declared a dividend of two cents per share, payable Nov. 22 to shareholders of record Oct. 26. This brings the total disbursements for the year to eight cents per share. An initial payment of two cents was made Feb. 22, 1934, and similar payments were subsequently made May 22 and August 22.

SILVER

Our Statistical Department would be glad to answer enquiries pertaining to either silver as a commodity or those mining companies engaged in the production of silver.

F. O'HEARN & CO.
STOCKS - BONDS - GRAIN

OFFICES
TORONTO, KIRKLAND L.
MONTREAL COBALT
HAMILTON TIMMINS
LONDON NORANDA
SARNIA OWEN SOUND
SUDBURY NORTH BAY

11 KING ST. WEST, TORONTO, ONT.
249 ST. JAMES ST. W., MONTREAL QUE.

PRIVATE WIRES TO ALL LEADING FINANCIAL MARKETS AND NORTHERN MINING CENTRES

Mining Stock Quotations

Week Ending October 22.

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Oct. 15 (or last)	High for week	Low for week	Close Oct. 22
[illegible]								
1	1.25	.75	Reno Gold	18,920	.93	.95	.90	.95
1	.15	.04	Reward Mining	2,600	.04½	.05	.04	.05
No	.27	.09	Richfield Cariboo	......	.09	.....	.....	.....
1	.03½	.01	Rufus Argenta	11,000	.01	.01½	.01	.01
1	.05	.02	Ruth Hope	1,000	.02½	.03	.03	.03
1	.55	.25	Sally Mines	6,800	.35	.35	.30	.30
50c	.35	.10	Salmon Gold	5,300	.15	.15	.12½	.12½
1	.09	.04	Silverado	1,000	.04	.05	.05	.05
25c	.04½	.01½	Silvercrest	52,500	.02	.02½	.02	.02½
20c	.17	.04	Silversmith	8,000	.09	.10	.09	.09
50c	.03½	.01	Snowflake	......	.01	.....	.....	.....
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.46	.07	Standard Gold	......	.07	.....	.....	.....
10	9.50	4.75	Sunshine	300	9.00	9.50	9.50	9.50
1	.28	.20	Sunloch Mines	......	.20	.....	.....	.....
No	1.20	.24½	Taylor Bridge	11,700	.30½	.30	.24½	.25
1	.65	.20	Taylor Windfall	3,500	.20	.23	.21	.23
5	.25	.20	Toric	......	.20	.....	.....	.....
1	.10	.10	Utica Mines	......	.10	.....	.....	.....
50c	.35	.04½	United Empire	39,950	.27	.28	.15	.17½
No	3.50	.80	Vidette Gold	10,825	1.50	1.45	.80	.87
No	.21½	.05	Viking Gold	4,500	.06½	.06½	.06	.06
No	.37½	.07½	Waterloo Gold	13,000	.08	.09	.07½	.07½
25c	.03	.01	Waverly Tangier	19,500	.01½	.01½	.01½	.01½
50c	.47	.06½	Wayside Cons.	16,700	.08½	.08½	.07½	.07½
20c	.03½	.01½	Wellington	1,000	.01½	.01½	.01½	.01½
No	.44	.18	White Eagle	1,000	.19	.21	.21	.21
1	.10½	.04	Whitewater	20,500	.05½	.06½	.05	.05½

OIL STOCKS

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Oct. 15 (or last)	High for week	Low for week	Close Oct. 22
1	.15½	.03	Amalgamated	4,000	.06½	.07	.07	.07
1	.08	.03	Anaconda	......	.03	.....	.....	.....
1	.10	.07	Brit. Dominion	......	.09	.....	.....	.....
1	.11½	.03	Crow's Nest	2,000	.06	.06½	.05½	.06
No	.09½	.02	Devenish	500	.02	.03	.03	.03
No	.01½	.00½	Fabyan Pete	......	.00½	.....	.....	.....
No	.15½	.06	Freehold	3,600	.07	.07	.06½	.06½
No	.13	.04	Hargal	......	.04½	.....	.....	.....
No	.35	.14	High Sarcee	3,200	.16	.15½	.14½	.14½
No	.05	.00½	Madison	......	.00½	.....	.....	.....
No	.35	.05	Marjon Oil	6,000	.10½	.11½	.10½	.10½
No	.05½	.02½	McD. Segur Ex.	......	.02½	.....	.....	.....
1	.47	.25	McLeod	3,400	.35	.35	.33	.35
No	.22	.12	Mercury	2,300	.13	.13	.12½	.13
No	.22	.10	Mill City Pete	......	.12	.....	.....	.....
No	.18	.05	Okalta	500	.05	.05	.05	.05
100	30.00	18.00	Do., pref.	......	30.00	.....	.....	.....
No	.17	.04½	Pacalta Oil	1,000	.04½	.05½	.05½	.05½
1	.75	.18	Ranchmen's	......	.60	.....	.....	.....
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	100	.20	.25	.25	.25
No	.11½	.03½	United	1,500	.04	.04	.04	.04
No	.50	.09	Vanalta	5,550	.11½	.10½	.09	.10
1	.20	.10	Vulcan	......	.11	.....	.....	.....
1	.35	.07½	Wellington Oil	......	.08	.....	.....	.....

DIVIDEND OILS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	Macassa†	5c.	.....
Ajax Oil	8c.	8.88	McIntyre	$2	4.54
Bralorne	60c.	4.39	Mercury Oils‡	4c.	.....
Buff. Ankerite	10c.	3.08	Merland Oils‡	5c.	.....
Bulolo Gold‡	60c.	.....	Model Oils	3c.	.....
Coast Brew.	92c.	8.97	Nipissing	12½c.	.....
Coniagas†	12½c.	.....	Noranda‡	$1	.....
Cons. Smelters	1.00	.....	Petrol Oil‡	3c.	.....
Dome Mines	$2	5.00	Premier	12c.	9.16
Falconbridge	10c.	.....	Pioneer, B.C.	80c.	6.69
Hollinger	65c.+65c.	3.21	Royalite	50c.	3.50
Howe Sound	$3	.....	San Antonio†	5c.	.....
Howey Gold	10c.	.....	Siscoe	12+5c.	4.44
Int. Coal & Coke‡	1c.	.....	So. Amer. Gold	10c.	.....
Int. Nickel c.	15c.	.....	Sylvanite	20+5c.	.....
Kirk. Lake†	3c.	.....	Teck-Hughes	40c.	10.25
Lake Shore	$2+$1	3.65	Toburn	8c.	.....
			Wright-Har.	40+20c.	4.54

‡Interim. †Initial.

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close Oct. 13 (or last)	High for week	Low for week	Close Oct. 20
[illegible]								

Unlisted Mining Stocks

October 23, 1934

	Bid	Asked		Bid	Asked
Adanac	.13	.16	Long Lac Lagoon	..	.18
Algoma Summit	.50	..	Lamaque Gold	.80	.90
Afton	..	.26½	Langmuir L. Lac.	.32	.35
Arntfield Gold	..	.75	Long Lac Synd.	..	2.00
Arntfield Synd.	..	.75	McFarlane L. Lac	.11	.13
Bailor Gold	..	.07	MacL. Cockshutt	.31	.33
Bankfield Gold	.64	.67	Magnet Lake	..	.34
Bathurst	.05	.06	Mandalay	..	.30
B. C. Nickel	.63	.67	Marbuan	..	.70
Big Long Lac	..	.14	Matachewan Can.	.15	.17
Bur-Ley Long Lac	.15	.20	Metals Devel.	.05	.06
Bidgood Cons.	.02	.03½	Middle Bay	..	.22
Brennan Kenty	..	.45	Minefinders	1.50	3.00
Can. Pandora	.14½	.16	Montague Gold	3.00	4.00
Canusa Mining	.06	.07½	Murwood	.29	.31
Casey Contact	..	.45	Mosher Gold	.08	.10
Casey Summit	..	.42	Neville Can.	.49	.53
Cent Porc.	..	.42	North Shores	.10	.12
Cochenour Wil.	105.00	120.00	North Tiblemont	.10	.12
Columario (old)	.14	.16	Payore Mines	.28	.31
Continental Kirk.	.05	.07	Peninsular Pete.	.00½	.01
Crown Reserve	.02½	.03½	Pontiac Rouyn	.25	.33
Cuniptau	.30	.40	Queen Lebel	.14	.18
Dennison Cop.	..	.03	Red Lake Gold	..	.18
Dorval Siscoe	7.00	8.00	Rice Lake	..	.15
Dunlop Cons.	.02½	.03½	Roche Long Lac	.17	.19
El Bonanza	..	.17	Rubec	.01½	.03½
Forty-Four Gold	..	13.50	Sakoose	.32	.34
Glenora Gold	.12	.15	Scullers Gold	10.00	12.00
Goldside	.17½	.19	Shawkey	.40	.43
Gold Eagle	..	.37	Sigma	..	2.50
Golden Long Lac Unit	..	10.00	Smelter Gold	.23	.25
Gr. Bear Lake M.	..	.19	Springer Sturgeon	..	.23
Gabrielle	.68	.73	Sturgeon River	..	8.00
Hardrock Un.	..	65.00	Talisman	.40	.42
Hardrock	..	.75	Tashota Goldfield	.53	.60
Horseshoe	.03½	.04½	Tiblemont Island	.77	.82
Herbin Lake Un.	18.00	20.00	Toburn	1.33	1.38
Hudson Pat.	.23	.26	Tom. Johnson Nip.	.08	.10
Island Lake	.06	.08	Tyche L. L.	..	.16
Jomac Units	..	33.00	Vanguard L. Lac.	.27	.30
Karl Springer	3.00	4.00	Vanquelin Sifton	.29	.32
Kenogamisis	.12	.15	Wendigo	..	.72
Keyroc Gold	.13	.16	Witch Bay Gold	..	3.50
Kirk. Gold Belt	.17	.20	Wells L. Lac	..	.18
Kow Kash (Tashota)	.09	.10	West-Side L. Lac.	..	.30
La Roche	.15	.17	Wingold	.31	.35
Lafayette L. Lac	...	.13	Young David	.34	.37
			Ymir Y. Gold	...	.54

Source of quotations on application. Not guaranteed.

DOME EARNINGS IN 3RD QUARTER $1.21 PER SHARE

Estimate Places 1934 Profit at Over $4,000,000

Earnings of Dome Mines before depreciation, depletion and adjustments of surplus and contingent reserve accounts in the first nine months of 1934 registered an increase of 31 per cent over the corresponding period of 1933. The company's regular quarterly earnings statement for the nine months ended Sept. 30 shows earnings of $3,476,704, equivalent to $3.65 per share on the company's outstanding share capital, as compared with $2,644,698, or $2.77 per share in the same period of last year.

Profits in the quarter ended Sept. 30 before depreciation, depletion, etc., amounted to $1,154,817, equivalent to $1.21 per share. In the previous quarter earnings amounted to $1.09 per share. While bullion recovery in the third quarter was slightly lower than in the three months ended June 30 non-operating income was somewhat higher and costs were lower, resulting in an increase in earnings. In the quarter ended Sept. 30, 1933, earnings were $982,723, or $1.03 per share.

The following tabulation shows results of operations for the second and third quarters of 1934 in addition to the nine months statement:

	3rd. qu 1934	2nd qu. 1934	9 mos. to Sept. 30 1934
Earnings:	$	$	$
Bullion prod.	1,764,510	1,837,122	5,498,773
Less: Dev., op. & gen. exps.	528,916	543,443	1,597,111
Prov. & Dom. taxes	197,338	325,127	717,953
Out. expl. w/o	4,707	4,347	11,544
Est. op. profit*	1,033,549	964,205	3,172,165
Non-op. inc.	121,268	72,897	304,539
Est. net prof.*	1,154,817	1,037,102	3,476,704

*Before depreciation, depletion or adjustments of surplus or contingent reserve accounts.

Production:			
Tons treated	136,300	137,100	409,500
Recov. per ton	$12.95	$13.40	$13.43

Record Earnings

Earnings of Dome Mines in 1934 will be well above the record established in 1933 when net profit totalled $3,062,657, equivalent to $3.21 per share. On the basis of earnings for the nine months ended Sept. 30 and the 1933 deduction for depreciation, contingent reserve account, etc., The Financial Post estimates that 1934 profits will top the four million dollar mark and will, in all probability, be at least $1 per share higher than in 1933.

Not only will the company's earnings establish a new record, but also its dividend disbursements. The company to date has made disbursements totalling $3 per share for the current fiscal year and another disbursement of 50 cents per share for the last quarter of the year is due in January, 1935. In 1933 the sum of $1.95 per share was paid.

DEEP LEVEL WORK WILL TELL STORY AT NICOLA MINES

Next Few Months Seen as Crucial Period For B. C. Property

From Our Own Correspondent

VICTORIA.—Deep level development, upon the success of which depends to a great extent the future of the mine, is now well under way at the Stump Lake property of Nicola Mines & Metals, according to officials of the company.

During the past two months the underground shaft room at the junction of the main haulage crosscut and the 320-ft. level drift south on the Enterprise vein was completed, an electric hoist installed and sinking from the 440-ft. level on this vein started. It is the intention of the company to continue sinking operations on this vein at the 1,100-ft. level, where diamond drilling has indicated that it intersects with the Tubal Cain vein.

About 275 feet of drifting has been completed on the Enterprise during September and the first half of October on the 320 level and at the present time ore for the mill is being stoped from this vein at this level and the 190-ft. level, as well as from the Joshua vein 100 and 300-ft. levels. On the Enterprise the 190-ft. level drift is being continued south to block out an ore body about 200 feet long and giving some 150 feet of backs above the ore shoot stoped on the lower level of this vein.

Mill Handling 45 Tons

The mill is treating an average of 45 to 50 tons of ore per day at the present time, it is stated, with millheads slightly over the $10 mark. A 40-ton car of concentrates was shipped to the Trail Smelter on October 16 and according to the management these are now going forward at the rate of about two cars a month.

The next few months will be important ones in the history of Nicola, with development planned to test the mine thoroughly at greater depth. While the present rate of milling is about 20 tons a day less than that of the summer months, millheads are higher, with less waste rock going through. The ratio of concentrates is now about 15 to 1 and concentrates are expected to run higher than they have been for some time past.

A new level is to be opened on the Enterprise at the 550-ft. level which will add substantially to the present ore reserves.

Olympic Reports Vein On Bridge River Claims

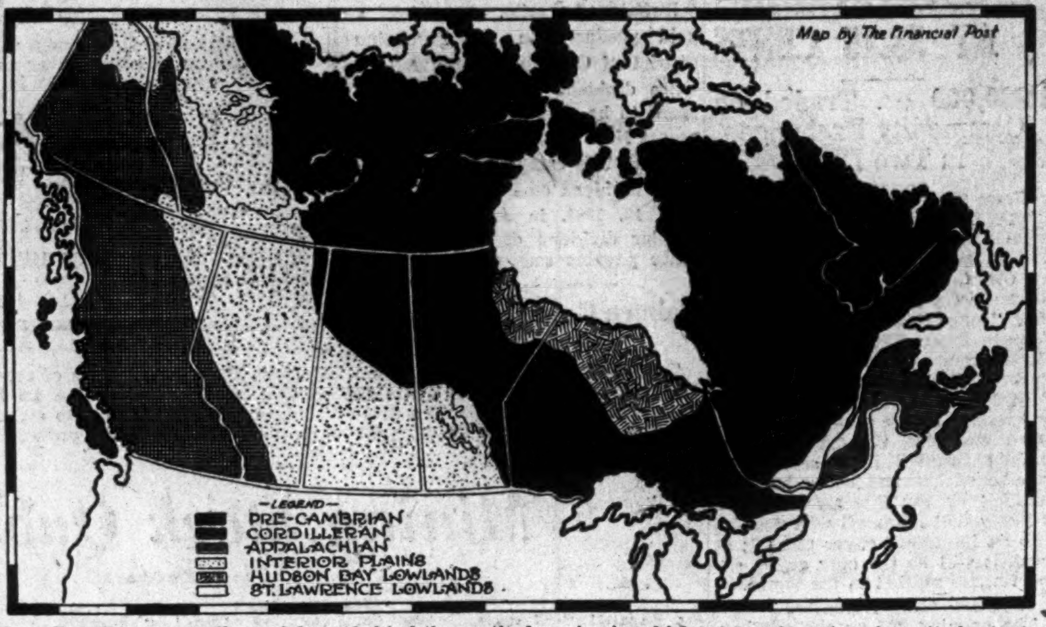
From Our Own Correspondent

VANCOUVER. — Olympic Gold Mines, a comparatively new development in the Bridge River country, reports the tracing of a vein averaging 7½ feet in width for a distance of 500 feet up the mountainside.

Olympic is located across the Bridge River from the Minto camp. Its first development last spring was at 1,500 feet. A campsite was built and a tunnel started.

Consulting engineer for the property is Col. J. E. Leckie, who reports that the complex ore is walled by a gouge about 12 inches wide. Between tunnel No. 1 and the new cut, for half a mile, there is a showing of solid pyrrhotite 30 feet wide.

Canada's Mineral Storehouses



Few Canadians, regardless of how much of their income is derived directly or indirectly from Canada's rocks, are as familiar as they might be with the significance and story behind the particular mine in which they are interested. In a series of articles, the first of which accompanies this map, The Financial Post will discuss, in layman's terms, the story of a mine, from its beginning in the remote annals of time, to the production stage. The above map shows the broad mineral belts mentioned in the accompanying article.

The Story of a Mine

Mines Begin with Rock

Canada Has Three Areas Particularly Favourable to Occurrence of Ores

Every Canadian has his own idea of Canada. Some think of mountains and tall trees, others of fields of waving wheat or, perhaps, of the roar of masses and machinery and big buildings. The geologist thinks of the underlying rocks but not as you and I think of rocks. Each one presents a fascinating story, now vivid with the struggle of great land masses to fit into their world and the surging of boiling solutions that will be rocks, now quiet with the slow change of passing centuries.

The miner thinks of the minerals contained in the rocks. But the mine is but the climax to the story the geologist has to tell. Here is the perfect example of the relation of science to industry. To understand his mine, to make it yield its content most efficiently, the miner welcomes the aid of the scientist.

The greater part of the metals mined in Canada are extracted from igneous rocks which result from the cooling of molten mineral masses. These solutions are called magmas when they occur at depth and lavas when they appear in volcanos.

The manner in which they cool and the minerals which they form in cooling determine the nature of the rocks which may be roughly classified into the following types: the quickly cooled glass-like obsidians, more slowly cooled rocks of the rhyolite and andesite type with fine mineral crystals, porphyries which are characterized by fairly large quartz and felspar crystals with a more finely grained rock mass, and the slowly cooled even-grained granitic rocks with fairly regular mineral crystals.

Three Major Areas

Major economic importance goes to the porphyries. Like other metal yielding lodes, they occur in dikes, lenses, veins and other intrusive forms in the country rock, the rock common to the locality. These bodies are the guide and goal of the prospector and the workshop of the miner.

Canada is fortunate in having three great areas favorable to the occurrence of these metal yielding rocks. First in importance is the great Pre-Cambrian Shield shown in black on the accompanying map. The Shield, with its frequent occurrence of granites and other rocks of magmatic origin, covers slightly less than one-half of the Dominion. Glaciers and the work of wind and water have exposed the mineral lodes in this area which is still in its mining youth. Here are Lake Shore, Canada's largest gold producer, the massive deposits of Sudbury, which yielded the largest part of the world's nickel, the copper ores of Noranda and Flin-Flon, the silver of Cobalt and Great Bear and 30 camps that contribute to Canada's gold production.

Rockies Too Young

The Cordilleran region is second in age and importance as a source of gold. The deposits are associated with the Coast Range batholith, a huge mass of igneous rock and its offshoots. The mountain-making movements of huge rock masses, together with the erosion of the rocks, have exposed the lodes sufficiently for their discovery. The Rocky Mountains on the western boundary, however, are still too young to yield their treasures, and mining is progressing most rapidly in the central section.

Placer deposits distinguish the mountain area. Mineral particles are worn from the mother rock, whirled away by rivers and deposited in their shallows. Sheltered by overhanging mountains from glaciers which destroyed the placers in the east, the deposits have accumulated to commercial importance.

The Appalachian province, first to yield gold, comes third. Seven small mines are now producing with the prospect of additions to the list in this region of older mountains and mingled rocks.

Each mining camp and each mine has a geological structure peculiar to itself.

Strike and Dip

Ore bodies are described by their strike or longitudinal direction, their dip or the angle which they form with the horizontal, and their width measured at right angles to the dip as well as by their continuity and mineral content. The type names such as vein and lense describe their form.

The general geology of the mine and camp are equally important. The high grade silver ore of Cobalt was generally shallow throughout the camp. Continuity at depth on several properties indicates but does not prove continuity on other properties in the area. A fault, a break in the continuity of rock mass, may offset a section of an ore body so much that it is lost or it may be picked up on the property of another mine. Similarly, veins dip and strike from one mine to another.

Rock conditions, the relationship of acid to basic rocks, the consistency and milling qualities of minerals, etc., are important considerations. Theories of ore conditions in unexplored areas are based at any stage in the life of a mine on the known conditions. Their validity, of course, depends on the accuracy and extent of the knowledge.

Grange Plans Increase To 60 Tons of Ore a Day

From Our Own Correspondent

VICTORIA.—With plant changes almost completed and the new Marcey mill expected to be operating shortly after the 20th of October, Grange Mines on Kelly Creek near Clinton is expected to be operating on a basis of 60 tons a day by the end of the month.

At the present time the mill is treating between 25 and 30 tons of ore a day, with mill heads maintaining their average value of just under one ounce of gold per ton.

The new Marcey unit is at the property, foundations laid and installation expected to be completed by October 15.

Development of the vein on the sixth level is continuing, with a total of over 350 ft. of drifting now completed and the vein showing strongly in both faces. Raising has been started to determine the extent of the ore body above the sixth level.

C. & E. Corp. Production 23,667 Bbls. in August

Production from the wells of the Calgary & Edmonton Corp. in August of 1934 amounted to 23,667 barrels on which was a royalty of $7,983. This compares with a production of 21,672 barrels with a royalty of $6,675 in August of 1933.

Drilling progress on the company's various wells is officially reported as follows:

Merland No. 2 well, Turner Valley; rigging up completed and spudding in expected to take place immediately.

Franco Oil No. 1 well, Cardston; according to last report drilling proceeding below 200 feet.

C. & E. Longview well No. 1; this well was shot with nitro-glycerine on September 29. The cleaning-out process is now proceeding and results of shooting will not be known until late in October.

Acme Gas & Oil Co. Declares Dividend

Directors of Acme Gas & Oil Co. have announced the declaration of a dividend of two cents per share on the company's capital stock, payable Nov. 15 to shareholders of record Oct. 31. This is the second dividend payment to be made on this company's stock, an initial dividend of two cents per share having been made on May 15 of this year. While no definite estimate of earnings during the current year has been made public it is known that earnings are on a much higher level than in 1933. The company's financial statement for the year ended Dec. 31 last showed a net profit of only $6,937, equivalent to .0034 cent per share on the company's outstanding capitalization.

Toronto Buffalo Groups Get Kingfisher Shares

From Our Own Correspondent

WINNIPEG.—W. E. Bailor, managing director of Kingfisher Mines reports a deal completed whereby Buffalo and Toronto interests have given a firm underwriting of 350,000 shares of Kingfisher stock and have taken an option on an additional 400,000 shares. Diamond drilling on this property, one of the first in Manitoba on which a royalty on gold production was paid, indicate much greater widths at depth than appear on the surface while further surface work is showing up a total length already traced said to be around 4,000 ft. Specimens of very rich ore from some of the surface showings have been reaching the city during the week.

Roan Antelope Postpones Payment of Dividends

Feeling that the continued uncertain outlook for the copper market justifies a policy of retrenchment directors of Roan Antelope Copper have decided to postpone a start of dividends, despite the fact that for the year ended June 30 a net profit is reported, after allowing for debenture interest and depreciation, of as much as £387,940. For 1932-3 only £62,455 was netted.

This Northern Rhodesia property is noted for the rich ore and low operating cost which prevails in the district.

HOWE SOUND CO. EARNINGS LOWER IN 3RD QUARTER

Decline in Metal Sales Reflected in Profits

With the value of metals sold approximately $200,000 less than in the second quarter of the year and miscellaneous income also down, the net profit of Howe Sound Co. in the third quarter of 1934 declined to $361,771 from $522,004 in the preceding three months. This is equivalent to 76 cents per share on the company's outstanding capitalization as compared with $1.10 per share in the previous quarter and $1.03 per share in the first three months of the year.

Sales of units of the various metals produced were less than in the previous quarter, the record of metal sales discloses, and this was the major cause of the decline in earnings. Lower prices for lead, zinc and copper were also factors. Comparative quarterly earnings and production figures are given below:

Quarterly Earnings

	Third Quarter 1934	Second Quarter 1934	First Quarter 1934
	$	$	$
Val. of metals sold	2,216,654	2,812,179	2,742,321
Oper. costs	1,884,126	2,343,465	2,298,172
Oper. profit	332,528	468,714	444,149
Add: Mis. inc.	115,734	135,230	124,076
Total income	448,262	603,944	568,225
Less: Deprec.	86,491	81,939	79,671
Net profit	361,771	†522,005	‡450,158

*Includes profit of $26,670, $39,739 and $35,152 respectively in the third, second and first quarters, on metals sold from inventory of Dec. 31, 1932.

†Includes credit resulting from provision for additional taxes made in first quarter.

‡After providing for additional taxes contemplated in revenue bill now pending.

Earnings per Share:	$0.95	$1.10	$1.03
Divids pd.	0.75	0.75	0.75

Metal Sales:

Sales for the first three quarters of the current year are shown below:

	Third Quarter 1934	Second Quarter 1934	First Quarter 1934
Gold ... oz.	2,427	3,480	2,633
Silver . oz.	1,091,402	1,094,102	1,081,309
Copper. lbs.	2,591,846	2,796,659	2,293,137
Lead .. lbs.	31,770,078	32,007,200	32,040,554
Zinc .. lbs.	21,079,650	33,468,381	33,594,122

While operations of Howe Sound Co. have been adversely affected by the existing low prices for base metals the higher price of gold and the increase in the price of silver has enabled the company during the first nine months of the current year to show a much higher profit than in the corresponding period of 1933, and profits for the year ending Dec. 31 next should be more than double the amount earned in 1933. In the 1933 fiscal year profits amounted to $1.74 per share. During the first three quarters of 1934 earnings have been $2.89 per share. If earnings during the last quarter are maintained at the same level as in the three months ended Sept. 30 a profit of $3.65 per share for the year will be shown.

Norlake Mining Corp. Starts Deep Drilling

After facing major technical problems, arising out of the geological position of the ore body sought, Norlake Mining Corp. through F. G. Todd, president, reports that drilling is being continued from a scow in Osisko Lake, Rouyn area, and has now reached a depth of 1,200 ft. Drilling is being done along a 4,500 ft. contact zone which is believed to extend across the property. Mr. Todd claims that in the shallow drilling campaign just completed, gold values were found in every hole sunk.

Development on the Rouyn property of Norlake Mining Corp. is being carried on under the direction of Milton Hersey Co. of Montreal. The recently started deep drilling programme was started only after an exhaustive surface and shallow drilling programme had satisfied the management as to the indicated merit of the property.

Norlake Mining Corp. was formed in March of 1933, with an authorized capitalization $3,000,000 in $1 par value shares, of which 1,317,070 were outstanding as at Aug. 1, 1934. While acquiring a group of claims in Figeury twp., Quebec, the company has concentrated its energy on the Rouyn operation, which is on Lake Osisko, near Noranda. President of the company is Frederick G. Todd, with Charles A. Gall, of New York, vice-president. Other directors are Harold E. Walker and J. R. Walker, of Montreal and George N. Brewer, of Coplay, Pa.

Think Cariboo Gold Camp Will Be Low Grade Area Run By Large Operators

Nine New Producers for B. C. by End of November — Exclusive of Big Companies, Province Has 15 Mills in Continuous Operation

By R. A. Diespecker

VICTORIA.—At the present time British Columbia, exclusive of operations such as Consolidated Mining & Smelting, Britannia and Granby, has 15 gold mills in continuous operation, with a combined daily capacity of 2,000 tons and a combined daily output of about $30,000. This in itself represents an annual gold output of $10,800,000, a far cry from the $5,000,000 produced in the year 1932.

Figures of a general nature, however, are daily becoming less acceptable to the mining investor and for this reason the following tables should be of considerable interest. It shows the lode gold producers, their current daily mill capacity, average value of mill-heads and estimated gross recovery per month and year, based on figures released by these companies during the past eight months.

Company	District	Mill Tons Daily	Millheads	Gross Monthly Production
Pioneer	B. R.	400	$22.00	256,000
Bralorne	B. R.	400	21.00	252,000
Premier	Portland	600	8.26	148,680
Cariboo	Cariboo	100	12.00	36,000
Reno	Sheep Creek	100	20.40	61,200
Second Relief	Erie	40	20.40	24,480
Vidette	Kamloops	35	27.20	15,000
Nicola	Kamloops	68	8.00	16,320
Grange	Clinton	60	27.20	32,640
Dentonia	Greenwood	100	10.88	32,640
Twin Lakes	Oliver	35	*	*
Windpass	Kamloops	25	*	*
Dunwell	Portland	25	*	10,000
Surf Point	Porcher Is.	25	*	*
Columario	Omineca	50	*	*

*Not available.

In addition to these plants there are a number of mines which are shipping ore direct to the smelters at Trail, B.C., and Tacoma, Washington.

The more important of these and the average amounts, values and gross returns of their shipments monthly are as follows:

Mines*	District	Tonnage Shipped Per Month	Value Per Ton	Gross Monthly Returns
Yankee Girl	Ymir	800	$20.00	20,000
Goodenough	Ymir	600	20.00	10,000
Kootenay Belle	Sheep Creek	100	70.00	7,000
Arlington	Erie	60	*	*
Dundee	Ymir	100	*	*
Gold Belt	Sheep Creek	70	70.00	5,000
Morning Star	Oliver	*	*	*

*Not available.

At the present moment the following mills are actually under construction and all of them will be in operation by the end of November at the latest:

Company	District	Rated Daily Capacity Tons	Initial Rate Tons
Kootenay Belle	Sheep Creek	65	35 (completed)
Yankee Girl	Ymir	100	100 (completed)
Superior Gold	Greenwood	50	50
Island Mountain	Cariboo	50	50
Minto	Bridge River	50	30
Wayside	Bridge River	40	40
Goodenough (Ymir Consolidated Gold Mines)	Ymir	50	30
Granite	Nelson	60	60
Sheep Creek Gold	Sheep Creek	150	150

These figures have demonstrated what the situation as regards gold mining is in British Columbia at the present moment. In a number of districts extensive development work is being carried on by companies, syndicates and individuals on promising looking properties.

Cariboo Low-grade

There is one important development of the past two or three months which is of special significance for mining investors and speculators. Since the beginning of 1933 most of the attention has been concentrated on the Bridge River and the Cariboo. Today Cariboo has two mines which might be termed successful, the Cariboo Quartz and the Island Mountain owned by Newmont. Others are being developed by various interests with, on the whole, a good measure of success. From recent occurrences, however, it is becoming increasingly apparent that the Cariboo is going to be an area of large low-grade mines operated by big interests. The smaller companies will almost certainly be absorbed by their larger brethren as time goes on.

The Bridge River, with the exception of Pioneer and Bralorne, is still an enigma. The Wayside affair did not help matters much and the newly released report of Ira B. Joralemon on B. R. X. in which he describes this property as a very promising prospect has not improved the situation. At the same time the depressed condition of company shares operating in this field may be said to be caused more from the emotional reactions of the public than from physical causes. B. R. X. looks as promising today as it ever did. The management of the company never at any time in the past attempted to describe it as anything more than a very promising prospect. The public themselves have been so enthusiastic about it that they eventually came to believe what they hoped, namely that it was already a proven mine. It may be yet. Until it has been definitely acertained that there is no ore there it cannot be said to be a failure. So far development has proved that there is ore at the 500-foot level in the shaft— not high-grate, it is true —but the development programme has not yet been completed.

Many Oil Firms To Reap Benefit Royalite Cash

From Our Own Correspondent

CALGARY.—Treasuries of several independent companies, who sold their limestone rights in Turner Valley to the Royalite Company in exchange for Royalite stock will benefit by the Royalite dividend of 75 cents a share payable on November 23. Among these companies are McLeod, Okalta, Alberta Pacific Consolidated, Calmont and New McDougall-Segur.

The Royalite Dividend, the second paid in 1934, will involve a distribution of approximately $500,000. The last dividend, paid in May, 1934, was 50 cents a share on 627,749 Royalite shares. The present number of Royalite shares outstanding is 661,348.

Since Royalite No. 4, the first naphtha producer, was drilled to completion in the limestone in 1924, Royalite has paid $3,163,890 in dividends (including the dividend payable next month).

Royalite earnings are reported to be in excess of 1933.

Jowsey Options Claims In Knee Lake District

From Our Own Correspondent

WINNIPEG.—R. J. (Bob) Jowsey has optioned a group of 20 claims on the south side of Knee Lake, belonging to Arthur Brown and Jack Wanless of The Pas. The former was one of the discoverers of the Akers Group in God's Lake and has been working all summer with a small crew on the Knee Lake property. Some rich looking ore has been uncovered and a drilling crew is now being taken in to work over the freezing-in period.

LACK OF QUORUM POSTPONES FIGHT AT CEN. MANITOBA

Will Ask Provincial Treasurer to Call Special Meeting

From Our Own Correspondent

WINNIPEG.—The fight for management of Central Manitoba Mines has been postponed until Nov. 10 at 2.30 p.m. The annual meeting called for October 17 failed to materialize because there were not 50 per cent of the outstanding shares represented.

Central Manitoba has issued and outstanding 4,586,372 shares. At the meeting 55 shareholders present represented 50,888 shares while proxies were held representing 1,841,094 shares, a total of 1,891,974 as against 2,293,187 needed for the quorum.

It was announced at the meeting that directors of the company have passed a bylaw reducing the quorum to 33 1-3 per cent but this must be passed at a duly called and legal meeting of shareholders. It could not be passed at the Oct. 17 meeting. Application will now be made to the provincial treasurer to call a meeting of the shareholders of the company, and this meeting will be legal whether or not the quorum is present. The rule or bylaw then calling for the 33 1-3 per cent quorum will be passed.

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Knowledge
Mr. B. F. Townsley, who has been mining editor of "The Financial Post" for more than five years, has become affiliated with this organization. His knowledge and experience are available to those who are or who may be interested in mining securities.
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